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SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY

("SALE AGREEMENT")

dated

August 11, 2000

between the

**PORT OF PORTLAND,
a port district of the State of Oregon
(the "Port")**

and

**RIVERSCAPE LLC,
an Oregon limited liability company
(the "Buyer")**

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SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY

This Sale Agreement and Receipt for Earnest Money (the "Sale Agreement"), dated August 11, 2000, is by and between The Port of Portland, a port district of the State of Oregon (the "Port"), and Riverscape LLC, a limited liability company organized under the laws of the State of Oregon and authorized to do business in Oregon (the "Buyer").

1. SALE AND PURCHASE

1.1 Description of Property

Buyer agrees to purchase from the Port and the Port agrees to sell to Buyer a parcel of land consisting of approximately fifteen and fifty-nine one hundredths (15.59) acres of land located above the ordinary high water line of the Willamette River, including all improvements located thereon, together with two dock structures located all or partially on the adjacent submerged and submersible lands of the Willamette River, all located at 2010 - 2200 N.W. Front Avenue, Portland, Multnomah County, Oregon, situated in the area commonly known as Terminal One South, as shown and legally described on Port Drawing T1 2000-01 1/1 attached hereto as **Exhibit A** (collectively the "Property"). The Property shall include all rail switches, rail tracks and other rail equipment and improvements located on the Property as well as those located within the Front Avenue street right-of-way that connect into the Property from the railroad track located on the west side of Front Avenue. Prior to Closing, as defined in Section 7, the Port shall remove at its cost and expense the most-southerly rail track crossing Front Avenue underneath or just north of the Fremont Bridge. Upon Closing, Buyer shall assume all responsibilities and liabilities for the ownership of all remaining rail improvements located within the Property, and those located within the Front Avenue street right-of-way, including but not limited to the operation, maintenance, repair and, if desired or required, removal thereof.

1.2 Submerged and Submersible Lands

1.2.1 Rights to Lease Submerged and Submersible Lands in Adjacent Slip

The northern boundary of the Property abuts a slip of water located between the Property and the northern portion of Terminal One ("Terminal One North"), as approximately shown on the attached **Exhibit B**, the submerged and submersible lands within which are owned by the State of Oregon ("Adjacent Slip"). If Buyer, or its lessees, sublessees, assignees, licensees or permittees, desires to use or make improvements in or to the Adjacent Slip, Buyer will be required to obtain a lease of the submerged and submersible lands from the Oregon Division of State Lands ("DSL"). Buyer and the Port agree between themselves that Buyer shall have the exclusive right to use and/or lease the submerged and submersible lands within the southern one-half of the Adjacent Slip as approximately shown and designated on the attached **Exhibit B** ("Southern Slip Area"). The Port and Buyer agree between themselves that the Port and its assigns shall have the exclusive right to use and/or lease the northern one-half of the submerged and submersible lands of the Adjacent Slip as approximately shown and designated on the attached **Exhibit B** ("Northern Slip Area").

1.2.2 Existing DSL Lease in Adjacent Slip

The Port currently leases portions of the Adjacent Slip from DSL under a single lease, a copy of which has been provided to Buyer (the "Existing DSL Lease"). The permitted uses under the Existing DSL Lease include a Port maintenance boat moorage and an office and

boat house moorage for the Multnomah County Sheriff's Office, pursuant to a (sub)lease referenced in Section 12, located generally in the Southern Slip Area, and a tour boat moorage for the Port of Cascade Locks sternwheeler located generally in the Northern Slip Area. Buyer shall be responsible, at its own expense, for obtaining consent from DSL for Buyer's proposed use of the Southern Slip Area. At Buyer's request to the Port made prior to Closing, the Port agrees to cooperate reasonably with Buyer in its request of DSL to either (a) separate the Existing DSL Lease into two leases, one for the Northern Slip Area ("Northern DSL Lease") retained by the Port and one for the Southern Slip Area ("Southern DSL Lease") to be assigned to Buyer effective as of Closing or, alternatively (b) to enter into a direct lease with DSL as to the Southern Slip Area effective as of Closing. If Buyer and the Port are unable to obtain approval to create the two separate leases from DSL prior to Closing, then the Port and Buyer agree to work cooperatively following Closing to satisfy the intent of this Section 1.2.2, subject to Buyer's obtaining DSL's consent to Buyer's proposed use of the Southern Slip Area. In any event, Buyer shall be responsible, at its own expense, for obtaining any lease from DSL for any future uses of the Southern Slip Area.

1.2.3 Survival of Provision

The provisions set forth in this Section 1.2 shall survive Closing.

1.3 Buyer's Proposal, Members and Development Team

1.3.1 Buyer's Representations

The Port has entered into this Sale Agreement with Buyer in reliance upon Buyer's representations made in Buyer's proposal entitled "Terminal One Redevelopment" dated June 2, 2000 ("Buyer's Proposal"), which was submitted to the Port in response to the Port's Request for Proposals regarding the redevelopment of the Property. The Port has also entered into this Sale Agreement with Buyer in reliance upon the assurances contained in the letters attached hereto as **Exhibit C** and **Exhibit D** and the following representations made by Buyer as of the date of its execution of this Sale Agreement:

1.3.1.1 The members of Buyer are Tiger Properties LLC ("Tiger"), Stan Harrelson of Seattle, Washington, John Goodman of Seattle, Washington, and Thomas Kemper of Portland, Oregon ("Buyer's Members");

1.3.1.2 The members of Tiger are Thomas Kemper, Stan Harrelson and John Goodman ("Tiger's Members");

1.3.1.3 Tiger will act as developer of the Property; and

1.3.1.4 Buyer and Tiger intend to make Prudential Insurance Company of America ("Prudential") a member of Buyer after agreement upon mutually acceptable terms and conditions of Prudential's equity and/or debt contribution. If Buyer and Tiger are unable to reach such mutually satisfactory terms and conditions with Prudential, Tiger will arrange for another provider of debt and equity financing.

1.3.2 Key Members of Development Team

Certain key members of the Buyer's proposed development team are (i) each of Buyer's Members, (ii) Tiger, (iii) each of Tiger's Members, (iv) the architectural firm of GGLO, 1191 Second Avenue, Suite 1650, Seattle, Washington, and (v) the construction firm of R&H Construction, Inc., 1530 S.W. Taylor, Portland, Oregon (collectively "Key Members" and each a

"Key Member"). Buyer shall not permit the replacement or deletion of any Key Member prior to Closing, unless Buyer notifies the Port in writing ten (10) business days prior to making any such replacement or deletion. Such notice shall include the name, address, principals and qualifications of any proposed replacement or deleted member and, in the case of a deletion, the qualifications of the remaining members. The Port, within such ten (10) business day period, shall approve or disapprove such proposed replacement or deletion based upon whether the quality and experience of the replacement is comparable to the Key Member being replaced, or, in the case of a deletion, whether the quality and experience of the remaining members are reasonably sufficient to support Buyer's proposed development. If a disapproval, the Port shall provide in writing within such ten (10) business day period the reasons for its disapproval specifying why the criteria has not been satisfied. If the Port does not approve or disapprove within such ten (10) business day period, the proposed replacement or deletion shall be deemed approved. If there is just an addition to the Key Members without a replacement or deletion, the Port will not have any right of approval, provided that the Buyer shall provide the Port with the name, address, principals and general qualifications of any addition to the Key Members. If the Port does not reasonably believe that any proposed replacement for a Key Member has the quality or experience sufficient to support Buyer's proposed development, or, in the case of a deletion, that the quality and experience of the remaining members are sufficient to support Buyer's proposed development, and the Buyer is unable to address the Port's concerns within ten (10) business days of the Port's written notice to Buyer of its disapproval, the parties agree to mediate the matter pursuant to Section 23.

2. PURCHASE PRICE

Buyer shall pay the Port seven million six hundred thousand dollars (\$7,600,000.00) for the Property (the "Purchase Price") less any deductions pursuant to Section 5.5 (collectively the "Final Purchase Price").

3. EARNEST MONEY

3.1 Amount and Payment

Immediately upon mutual execution of this Sale Agreement, Buyer shall deposit with Chicago Title Insurance Company of Portland (the "Escrow Agent") one hundred fifty thousand dollars (\$150,000.00) in cash as earnest money and deliver to the Port a promissory note in the form attached hereto as **Exhibit E** (the "Note") obligating Buyer to pay two hundred seventy thousand dollars (\$270,000.00) in additional earnest money ("Additional Earnest Money") as follows: (a) if this Sale Agreement has not then been terminated, Buyer shall deposit on or before November 30, 2000, an additional one hundred thousand dollars (\$100,000.00) in cash with the Escrow Agent as earnest money; and (b) if this Sale Agreement has not then been terminated, Buyer shall deposit on or before January 31, 2001, an additional one hundred seventy thousand dollars (\$170,000.00) in cash with the Escrow Agent as earnest money.

3.2 Disposition of Earnest Money

The parties agree that all money deposited with Escrow Agent will be deposited in an interest-bearing account, which provides no penalty for immediate withdrawal. Collectively, all such money deposited with the Escrow Agent together with interest earned thereon as provided for in the previous sentence shall be defined as "Earnest Money." Upon Closing, all Earnest Money shall be credited to the Final Purchase Price. In the event Closing does not occur, the

Earnest Money shall be disbursed in accordance with the provisions of Sections 6 and 19 of this Sale Agreement.

4. PAYMENT OF PURCHASE PRICE

At Closing, Buyer shall pay by immediately available funds the Final Purchase Price and other amounts due after adjustments as provided for in this Sale Agreement, including without limitation the credits or deductions, if any, called for by Sections 3, 5.5 and 7.3. In addition to the Purchase Price, Buyer agrees to pay Buyer's share of Closing costs, pursuant to Section 7.1 of this Sale Agreement.

5. CONTINGENCIES OF SALE

All of the contingencies set forth in this Section 5 must be satisfied or waived by Buyer or the Port, as the case may be, prior to Closing by written notice to the other party by the dates set forth below. If Buyer or the Port, as the case may be, fails to give such notice by the dates specified below, the party failing to give such notice shall be deemed to have waived the contingency.

5.1 Acceptance of Preliminary Title Report

This sale is contingent upon Buyer's acceptance by October 1, 2000 of the Preliminary Title Report, prepared by the Escrow Agent, dated as of August 2, 2000 and dated down as the date of this Sale Agreement, Order No. 126649, a copy of which (other than the date-down) is attached hereto as **Exhibit F** (the "Preliminary Title Report"). Unless Buyer gives written notice to the Port, on or before October 1, 2000, that any of the exceptions listed in the Preliminary Title Report (including the date-down) are not acceptable to Buyer ("Title Objections"), Buyer shall be deemed to have accepted the Preliminary Title Report and this contingency shall be deemed waived. If Buyer notifies the Port of any Title Objections, the Port, within ten (10) business days thereafter shall notify Buyer in writing whether the Port will cause the Title Objections to be removed at or prior to Closing. If the Port fails to respond to the Buyer's notice of Title Objections, or the Port fails to agree to remove all Title Objections, the Buyer shall have the right to terminate this Sale Agreement within ten (10) business days after the Port's ten (10) business-day period to respond to Title Objections and to receive back the Earnest Money in accordance with the provisions of Section 6 of this Sale Agreement. The Buyer's failure to terminate this Sale Agreement within such ten (10)-day period shall be deemed a waiver of such Title Objections. The exceptions in the Preliminary Title Report not objected to by the Buyer, or if objected to and not agreed to be removed by the Port at or before Closing, are hereinafter referred to as "Permitted Encumbrances."

5.2 Soils Studies and Due Diligence

Subject to the rights of any tenants on the Property, Buyer shall have until October 15, 2000 to undertake any soils testing and other due diligence as Buyer determines is desirable to assess the Property's suitability for Buyer's intended use. Buyer shall provide the Port with a copy of all of Buyer's soils testing results within ten (10) days of completion at no cost to the Port. If Buyer is not satisfied with the results of such testing and due diligence, Buyer in its sole discretion may terminate this Sale Agreement by delivering written notice of its intention to so terminate to the Port at any time on or before October 15, 2000, together with a copy of all of Buyer's soils testing results. In such event this Sale Agreement shall terminate and the Earnest

Money shall be delivered to Buyer pursuant to Section 6 provided that the delivery to the Port of such copy of Buyer's soils testing shall be a condition precedent to Buyer's receipt of the Earnest Money. If Buyer fails to give such notice to terminate on or before October 15, 2000, this contingency shall be deemed to have been waived by Buyer.

5.3 City Approval for the Property

5.3.1 Master Plan; City of Portland and Other Agencies

Buyer intends to develop the Property in accordance with a Central City Master Plan approved by the City of Portland (the "City") that shall conform generally with Buyer's Proposal (the "Master Plan"). The Master Plan shall contemplate the construction of a mixed use, residential (including low-income housing) and commercial development on the Property consistent with the City's River District Plan and RXdg zoning (that is, "Central Residential with River District design overlay and Greenway/River General overlay") in accordance with comprehensive plan and zoning code designations existing at the time of filing of the City Approval Application (which term is defined below). Because the Property abuts the Willamette River, which is habitat to certain fish species listed as endangered or threatened under the Endangered Species Act, it is anticipated that, prior to Closing, Buyer may wish to or may be required to consult with other agencies (in addition to the City) with jurisdiction over the Property and proposed project with respect to endangered or threatened species, including without limitation Metro, the National Marine Fisheries Service, the U.S. Army Corps of Engineers, the U.S. Fish and Wildlife Service, and/or the Oregon Division of State Lands ("Other Agencies"). Buyer shall make a good faith effort to obtain approvals by the City and Other Agencies necessary to develop the Property as generally set forth in Buyer's Proposal.

5.3.2 City Approval Contingency

Tentative approval by the City of Buyer's proposed subdivision and approval of Master Plan and Greenway review, with conditions reasonably acceptable to Buyer, shall be a condition to Closing ("City Approval"), subject to Buyer's waiver of such condition as provided below.

5.3.3 City Approval Application

Buyer shall prepare and submit to the Port a copy of the Buyer's application for City Approval ("City Approval Application"), which shall show the proposed subdivision of the Property, streets, building mass and uses and conceptual waterfront improvements. The City Approval Application shall be in the form of a tentative plan for the subdivision, with sufficient detail and completeness for submission of an application to the City for tentative subdivision approval and Greenway review. Buyer shall prepare the City Approval Application after participating in a pre-application conference with the City for the subdivision and Greenway review, and after receiving the City's written summary of the pre-application conference recommendations, a copy of which will be promptly delivered to the Port. Buyer agrees to complete its pre-application conference with the City by September 13, 2000 (subject to any delays caused by the City) and to complete its City Approval Application and provide such City Approval Application to the Port for review by no later than January 4, 2001. The Port shall not unreasonably withhold its approval of Buyer's City Approval Application. The Port's review of the City Approval Application shall be based on whether the proposed development as set forth in the City Approval Application materially interferes with river navigation, Willamette River

Harbor cleanup activities, the Port's use of the Adjacent Slip North, and whether the Buyer has responded to the City's issues set forth in the City's written summary of the pre-application conference recommendations ("Land Review Criteria")). As long as the Buyer provides the Port with at least five (5) business days' notice in advance of presenting the City Approval Application to the Port, the Port's period to review the City Approval Application and notify Buyer of the Port's objections thereto shall be limited to seven (7) business days after the Port's receipt of the Application. If the Port objects to any provision of the City Approval Application based upon the Land Review Criteria, the Port shall specify its reasons therefor in detail, in writing, within such seven (7) business-day period and specify those modifications that if made would allow the Port to approve the City Approval Application. Buyer shall have seven (7) business days to revise the City Approval Application. If the parties cannot reach an agreement on the City Approval Application by January 26, 2001, then either party may elect to mediate the dispute pursuant to Section 23 by delivery of notice of such election to the other party by no later than the close of business on January 29, 2001. If neither party so elects to mediate this dispute, then Buyer may terminate this Sale Agreement and receive back the Earnest Money pursuant to Section 7 (provided Buyer is not then in default of this Sale Agreement pursuant to other provisions of this Sale Agreement). Provided neither party elects by January 29, 2001 to proceed to mediation, if Buyer fails to submit to the City its City Approval Application, approved and signed by the Port, on or before January 31, 2001, then Buyer shall be deemed to have waived this contingency. Buyer shall diligently prosecute the City Approval Application through City processes and use its diligent efforts to secure City Approval on or before June 30, 2001. After the full execution of this Sale Agreement by both Buyer and the Port, Buyer shall provide the Port with bi-weekly updates on the processing of the City Approval Application.

5.3.4 Port Cooperation and Participation

The Port, as owner of the Property, agrees to cooperate reasonably with Buyer and, upon request by Buyer, agrees to execute such applications, consents and approvals as are reasonably required by Buyer to secure the City Approval, subject to the Port's right to review the City Approval Application as stated above in Section 5.3.3. Until Closing, the Port shall have the right to participate in any meeting with the City related to the development of the Property. Buyer shall notify the Port of any scheduled meeting with the City as soon as reasonably possible after scheduling, but the Port's inability to participate in a meeting shall not require the Buyer to reschedule the meeting. If a meeting is scheduled more than five (5) business days in advance, Buyer shall give the Port no less than five (5) business days' notice, which notice may be given, only for purposes of this paragraph, by phone, e-mail or written notice to William Bach at (503) 944-7525 or bachb@portptld.com, and to Peggy Krause at (503) 944-7537 or krausp@portptld.com, or their designees, by written notice to Buyer. Until Closing, any changes to the proposed Master Plan must be submitted to the Port in writing for Port review and approval, which shall not be unreasonably withheld.

5.4 Other Agency Consultations and Approvals

5.4.1 Other Agencies Approvals

Buyer's obligations to Close under this Sale Agreement shall be contingent on Buyer's obtaining such approvals from the Other Agencies with jurisdiction over riverfront development as Buyer deems reasonably necessary to allow the development of the Property in a manner consistent with the City Approval Application (or if the City Approval Application has

not been prepared, the Buyer's Proposal), with conditions reasonably acceptable to Buyer ("Other Agency Approvals"). Except as otherwise provided below, Buyer shall have until June 30, 2001 to obtain Other Agency Approvals subject to Buyer's rights to extend the Closing set forth in Section 7. Buyer's failure to terminate this Sale Agreement or to extend Closing as required by Section 7 on or before June 30, 2001 shall be deemed a waiver of this contingency. Notwithstanding the foregoing, Other Agency Approvals shall not include the securing of any permits from the Oregon Division of State Lands, the U.S. Army Corps of Engineers or any building permits.

5.4.2 Schedule for Consultations and Approvals

The Port and the Buyer shall work cooperatively to prepare a plan and schedule for consulting with and/or making application to Other Agencies in order to obtain Other Agency Approvals. In any event, Buyer will prepare and provide in writing to the Port, by no later than October 1, 2000, Buyer's proposed plan and schedule to obtain Other Agency Approvals. Beginning as of the date of the execution of this Sale Agreement by both the Buyer and the Port, Buyer shall provide the Port with bi-weekly updates on the status of the Other Agency Approvals.

5.4.3 Consultants; Port Participation

Prior to hiring any consultants and prior to initial discussions or submissions of any materials to any Other Agency, Buyer will discuss with the Port and seek the Port's input with respect to the securing of the Other Agency Approvals including the hiring of consultants related thereto (other than attorneys). Buyer shall notify the Port's representative of any scheduled meeting with any Other Agency as soon as reasonably possible after scheduling, but the Port's inability to participate in a meeting shall not require the Buyer to reschedule the meeting. If a meeting is scheduled more than five (5) days in advance, the Buyer shall give the Port no less than five (5) days' notice, which notice shall be given in the same manner as provided for in Section 5.3.4. Each party shall bear the costs and expenses, if any, incurred by such party to pay consultants, experts, attorneys or others to assist that party in such process.

5.5 Purchase Price Reduction

If, prior to Closing, Buyer obtains City Approval, and (a) such approval requires that more than an average of seventy-five (75) feet of the waterfront area of the Property, measured westerly from the ordinary high water line of the Willamette River, be set aside for fish and wildlife enhancement purposes, and (b) Buyer is unable to develop the Property to the minimum density allowed under the RXdg zoning as determined by the City, then the Purchase Price shall be reduced by the amount determined by the following formula: the total number of square feet of Property exceeding the seventy-five (75)-foot average, multiplied by eleven dollars and nineteen cents (\$11.19) per square foot. In addition to the foregoing reduction, the Port agrees to negotiate in good faith with Buyer towards a further reduction in the Purchase Price if other restrictions and limitations on the Property, including environmental, prevent Buyer from developing the Property to the minimum density allowed under the RXdg zoning.

5.6 Environmental Review and Cleanup

5.6.1 Buyer's Studies

Buyer shall have conducted its environmental review of the Property on or before October 15, 2000. In addition to reviewing the Port's Environmental Studies described below,

Buyer may conduct, at Buyer's expense, such environmental studies, investigations and tests (collectively "Buyer's Studies") on the Property as it desires to undertake, subject to the provisions of the Permit and Right of Entry described in Section 5.8. The Port will assist Buyer as reasonably necessary to secure reasonable access to the Property or portions thereof which are occupied by Existing Tenants as defined in Section 12 where Buyer's Studies are to be undertaken. Buyer shall provide the Port with a copy of all Buyer's Studies within ten (10) days of completion at no cost to the Port. In the event Buyer terminates this Sale Agreement as provided in this Section 5.6, Buyer shall deliver a copy of all Buyer's Studies and the results of any and all physical inspections to the Port as a condition precedent to Buyer's right to receive the Earnest Money.

5.6.2 Port Environmental Studies

The Port has previously provided to Buyer copies of the following environmental reports related to the Property: (a) "Focused Environmental Site Assessment, Terminal 1, Between Slip No. 2 and the Fremont Bridge," prepared by Maul Foster and Alongi, Inc., dated August 25, 1998; (b) "Lead based Paint and Asbestos Survey POP T1 & 4," prepared by Marine and Environmental Testing Inc., dated November 20, 1995; (c) "Report of Findings, Environmental Review, Cascade West Transportation Services Leasehold T1, House No 1-5 & Open Storage Area," prepared by Century West Engineering Corporation, dated September 10, 1993; (d) "Environmental Site Assessment POP T1 House No 2," prepared by Geraghty & Miller, Inc., dated December 11, 1995; (e) "Limited Phase I Environmental Site Assessment, T1 House 105 and NW Cargo Lot," prepared by GeoEngineers Inc., dated March 12, 1996; (f) "Final Report Nondestructive Testing and Inspection of T1 - B 1-4, 105, 106," prepared by J. Agi & Associates, dated May 18, 1990; and (g) "Environmental Baseline Investigation for Marine Terminal 1 Redevelopment," prepared by Hahn and Associates, dated May 15, 2000, Volumes 1 and 2. Collectively, all the above mentioned environmental reports, and any other environmental reports that the Port delivers to Buyer or its agent or that the Buyer or its agent reviews, shall be referred to as the "Port's Environmental Studies."

5.6.3 Port Sediment Study

The Port has initiated an environmental assessment, including sampling, of the river bottom sediments in the submerged and submersible lands adjacent to the Property (the "Port Sediment Study"). The Port Sediment Study is anticipated to be completed on or about September 15, 2000. Subject to Buyer signing a confidentiality agreement with the Port, a copy of which is attached as **Exhibit G**, the Port will provide a copy of the Port Sediment Study to Buyer upon its completion. The Port shall be responsible at no cost to Buyer for any cleanup of the sediments (except to the extent any contamination is caused or exacerbated by Buyer) that may be required of the Port by governmental authorities based on the sediment condition as described in the Port's Sediment Study, provided that such cleanup shall not be part of the Port's obligations to remediate the Property pursuant to Sections 5.6.4 and 5.6.5.

5.6.4 Port Cleanup of Property

The Port and Buyer acknowledge that there is existing contamination of the Property as described as of the date hereof in the Port's Environmental Studies (the "Existing Contamination"). The Port agrees to remediate the Existing Contamination to a level required to meet Oregon Department of Environmental Quality ("DEQ") standards for development of the Property for residential and commercial use in accordance with Oregon Administrative Rules

340-122-040 dated July 15, 2000 (the "Cleanup Standard") prior to Closing. Buyer also understands and agrees that the timing of the Port's remediation is subject to the terms and conditions of the Terminal South Leases referenced in Section 12 and subject to actions of DEQ. The Port shall propose a Removal Action Plan ("Removal Action Plan") for cleanup of the Existing Contamination to the Cleanup Standard and present such proposal to Buyer by October 1, 2000, with the intent of submitting it to DEQ for review by October 31, 2000, and Buyer shall have ten (10) business days to review and submit written comments to the Port on the proposed Removal Action Plan. The Port shall diligently proceed with the Removal Action Plan and the Remedial Investigation and Feasibility Study ("RI/FS") that is anticipated to follow the Removal Action Plan. After completion of the RI/FS, the Port will prepare a Remedial Action Plan ("RAP") to address any residual contamination remaining after the Removal Action Plan has been completed, the final remedy approved by DEQ and any monitoring requirements. The Port shall work diligently to obtain DEQ's approval of the Port's proposed RAP (and any additions or supplements arising from Additional Contamination described in Section 5.6.5) prior to Closing, and such approved plan shall be referred to as the "Approved RAP."

5.6.5 Port CleanUp of Additional Contamination

5.6.5.1 If, on or before October 15, 2000, Buyer notifies the Port that Buyer's Studies identify environmental contamination on the Property in addition to that identified in the Port's Environmental Studies (the "Additional Contamination"), the Buyer shall provide the Port with copies of Buyer's Studies to the extent not previously provided to the Port, and Buyer and the Port shall promptly meet with the purpose of making a good faith determination of the scope of the Additional Contamination and to estimate the costs associated with its remediation to the Cleanup Standard (the "Estimated Cleanup Costs").

5.6.5.2 If the Estimated Cleanup Costs do not exceed two hundred thousand dollars (\$200,000.00), the Port shall remediate the Additional Contamination to a level required to meet the Cleanup Standard in accordance with the provisions of Section 5.6.4 provided that Buyer shall be obligated to pay any Estimated Cleanup Costs in excess of one hundred thousand dollars (\$100,000.00). If the Estimated Cleanup Costs exceed two hundred thousand dollars (\$200,000.00), Buyer may either (a) terminate this Sale Agreement by written notice to the Port given on or before October 31, 2000, or (b) provide written notice to the Port on or before October 31, 2000 to proceed with the cleanup of the Additional Contamination to the Cleanup Standard

5.6.5.3 If the Port proceeds with the cleanup of the Additional Contamination as provided in Section 5.6.5.2 above, Buyer shall be obligated to pay all Estimated Cleanup Costs to the Cleanup Standard in excess of one hundred thousand dollars (\$100,000.00), whether or not Buyer elects to terminate this Sale Agreement as otherwise permitted under this Sale Agreement. In such case, Buyer shall deposit into an escrow account, established with Escrow Agent or another agent mutually agreeable to the parties, the amount of the Estimated Cleanup Costs in excess of one hundred thousand dollars (\$100,000.00). The parties shall split any escrow fees associated with such escrow account. If Buyer subsequently elects to terminate this Sale Agreement for any reason, or in the event of a default by Buyer under this Sale Agreement that results in a termination of this Sale Agreement, then the Port shall be entitled to the funds deposited into such escrow account to the extent required to pay the Estimated Cleanup Costs in excess of one hundred thousand dollars (\$100,000.00). Funds shall be disbursed out of the escrow account to pay the cleanup costs as such costs are incurred. The

escrow agent is hereby instructed that the escrow agent shall not require Buyer's written approval as a condition precedent to the disbursement of the escrowed funds to the Port as and when allowed by this Section. If the Buyer elects to proceed with the cleanup of the Additional Contamination as provided above, the Port shall promptly prepare a plan to remediate the Additional Contamination and incorporate such plan, to the extent acceptable to DEQ, in the Port's Removal Action Plan referred to in Section 5.6.4 (either in the initial plan given to DEQ by October 31 or by supplement as soon as reasonably possible thereafter). The obligations under this paragraph shall survive Closing or termination of this Sale Agreement

5.6.5.4 Notwithstanding the foregoing provisions of this Sale Agreement to the contrary, if the Estimated Cleanup Costs exceed five hundred thousand dollars (\$500,000.00), the Port may elect to terminate this Sale Agreement upon written notice to Buyer given promptly after the parties determine the Estimated Cleanup Costs.

5.6.6 Management in Place

With respect to Existing Contamination and any Additional Contamination, the Port shall remove the contaminated soils that do not meet the Cleanup Standard and replace them with clean and compacted soil unless Buyer agrees to allow the capping or other management in place of all or some portion of the contamination located on the Property. Buyer will not unreasonably withhold its consent to the capping or other management in place of contamination located on the Property provided that (a) the capping or management in place will not materially and adversely impact the financing of the purchase or development of the Property or (b) no buildings, as shown in the City Approval Application (or, if the City Approval Application has not been prepared, then the Buyer's Proposal), are intended to be located on that portion of the Property.

5.6.7 Approved RAP; No Further Action Letter; Interim Letter

Port and Buyer agree to work collectively and cooperatively to obtain a "No-Further Action" letter (the "NFA") from DEQ after completion of the Approved RAP. Upon issuance of the NFA, Buyer's environmental contingency shall be deemed satisfied. In addition, the parties agree that although the Port will strive to obtain the NFA prior to June 30, 2001, if any post-cleanup monitoring is required under the Approved RAP to secure the NFA and if the post-cleanup monitoring can be completed and the NFA secured within the First Extension Period, as defined in Section 7.3, Buyer's environmental contingency period will be automatically extended to the end of the First Extension Period, at which time Buyer's environmental contingency shall be deemed satisfied or waived and the First Extension Fee as defined in Section 7.3 shall be applicable to the Final Purchase Price. If the post-cleanup monitoring cannot be completed and the NFA cannot be reasonably secured within the First Extension Period, Buyer's environmental contingency shall be deemed satisfied at such time as the Port has met all requirements of the Approved RAP and obtained an interim letter from DEQ stating that the Port has complied with the Approved Remedial Action Plan except for such required monitoring ("Interim Letter"). The Port shall be responsible for completing such monitoring. The Port's obligation to obtain the NFA shall survive Closing, but Buyer acknowledges that the issuance of an NFA is a matter entirely within the discretion of DEQ, and DEQ's failure or refusal to issue the NFA shall not be regarded as a breach of this Sale Agreement by the Port. Buyer agrees that if a condition of the Approved RAP is a deed restriction prohibiting the use of groundwater under the Property, Buyer will agree to such

restriction and cooperate as reasonably necessary to place such restriction of record, if required by DEQ.

5.6.8 On-Going Monitoring

Buyer understands and agrees that the Port's remediation of the Property pursuant to Section 5.6.4 and, as the case may be, Section 5.6.5, may include the installation and on-going monitoring of monitoring wells on the Property, which monitoring may continue after Closing. The Port reserves the right to access the Property following Closing as reasonably necessary to perform such monitoring, provided the Port (or its agents) shall not materially interfere with the rights and operations of Buyer or any tenants, agents or contractors of Buyer on the Property. This Section 5.6.8 shall survive Closing.

5.7 Estoppel Certificates

The Port shall use reasonable efforts to obtain and deliver to Buyer estoppel certificates substantially in form attached hereto as **Exhibit H** signed by each of the tenants leasing portions of the Property as of Closing.

5.8 Buyer's Entry onto the Property

The Port will grant Buyer and Buyer's consultants the right to enter upon the Property to conduct Buyer's review pursuant to this Section 5 that require Buyer's entry onto the Property, subject to the requirements of the Terminal One South Leases and the rights of the Existing Tenants thereunder, pursuant to the Port's Permit and Right-of-Entry in the form attached as **Exhibit I**. The Port shall assist the Buyer and Buyer's consultant's entry onto the Property as provided in Section 5.6.1.

5.9 Lot Line Adjustment

The Port will determine and advise the Buyer in writing by October 1, 2000, whether a lot line adjustment is necessary to create a property boundary on the northwest edge of the Property (the "Lot Line Adjustment"). If a Lot Line Adjustment is required, Closing shall be contingent upon recording of the lot line adjustment by the City of Portland. If a Lot Line Adjustment is deemed necessary, the Port will be responsible for applying for and paying for the Lot Line Adjustment. Prior to filing the application for the Lot Line Adjustment with the City of Portland, the Port shall submit the application for the Lot Line Adjustment to the Buyer for Buyer's approval, which approval will not be unreasonably denied, delayed or conditioned. Nothing in this paragraph shall be construed as a representation or warranty by the Port as to the status of the land comprising the Property as a legal lot or lots of record.

5.10 Representations and Warranties

Each of the representations and warranties made by the Buyer in Section 17 and by the Port in Section 18, respectively, shall be true as of the date of this Sale Agreement and as of the date of Closing.

6. WAIVER/SATISFACTION OF CONTINGENCIES

Unless the contingencies set forth in Section 5 are satisfied, expressly waived, or deemed waived by Buyer or the Port, as the case may be, by the expiration of the time limits as set forth in each such Section above, this Sale Agreement shall terminate unless otherwise extended pursuant to Section 7. In the event this Sale Agreement is terminated on the basis of the failure of a

contingency stated above, and Buyer is not in default under this Sale Agreement, the Earnest Money shall be refunded to Buyer, and neither party shall have any further liability under this Sale Agreement, except for the liabilities, if any, of the parties that survive termination.

7. CLOSING

7.1 Closing; Escrow Agent; Closing Costs

For purposes of this Sale Agreement, "Close," "Closing," or "Closed" shall mean the date on which all of the necessary documents have been deposited with the Escrow Agent and the Escrow Agent has: (a) disbursed funds to the Port from the sale of the Property to Buyer; (b) recorded, on behalf of Buyer, a Special Warranty Deed for the Property (the "Deed") in the form attached as **Exhibit J** and delivered to Buyer a Bill of Sale for personal property which may be located on or adjacent to the Property in the form attached as **Exhibit K**; and (c) issued or authorized the issuance of the title insurance policy referred to in Section 9 of this Sale Agreement. This Sale Agreement shall be Closed in the offices of the Escrow Agent. Each party will pay one-half (1/2) of the escrow fee. Buyer shall also pay any recording fees and other Closing costs normally attributable to a buyer, and title insurance premiums shall be paid for between the parties as provided in Section 9.

7.2 Closing by June 30, 2001

The Closing shall occur no later than fifteen (15) days following the satisfaction or waiver of all contingencies described in Section 5, unless both parties agree to extend, but in no event later than June 30, 2001, but subject to Buyer's right to extend the Closing pursuant to Sections 7.3 and 7.4.

7.3 Extension of Closing Date to September 30, 2001

If City Approval, the Other Agency Approvals and the NFA have not been obtained as described in Section 5, on or before June 30, 2001, then Buyer by written notice to the Port given at any time prior to June 30, 2001, may extend the Closing until the Buyer has obtained the City Approval and Other Agency Approvals and the Port has obtained the NFA but in no event later than September 30, 2001 ("First Extension Period"). For this extension, Buyer shall pay the Port the sum of \$100,000, which shall be non-refundable ("First Extension Fee"). The First Extension Fee shall not be applied against the Purchase Price at Closing if the Port has obtained an NFA from DEQ pursuant to Section 5.6.7 by June 30, 2001 or if the Port has obtained an Interim Letter from DEQ by June 30, 2001 and DEQ requires monitoring that will extend beyond September 30, 2001. If the Port has not obtained an NFA from DEQ by June 30, 2001 and if the Port receives an Interim Letter and any DEQ required monitoring is in fact completed by September 30, 2001, then the First Extension Fee shall be applied against the Final Purchase Price at Closing. Provided Buyer is not then in default of this Sale Agreement, the right to a refund of the Earnest Money shall continue during the First Extension Period if Buyer has not obtained City Approval and Other Agency Approvals and elects to terminate this Sale Agreement prior to termination of the First Extension Period.

7.4 Extension of Closing Date to June 30, 2002

If the City Approval and the Other Agency Approvals have not been obtained as described in Section 5 on or before September 1, 2001, then Buyer by written notice to the Port given at any time prior to September 30, 2001, may extend the Closing Date until the Buyer has

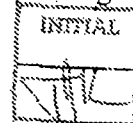
obtained the City Approval and the Other Agency Approvals but in no event later than June 30, 2002 (the "Second Extension Period"). For this extension, Buyer shall pay the Port a sum of Forty Thousand Dollars (\$40,000.00) per month during the Second Extension Period ("Monthly Extension Fee"), which will not be refundable and shall not be applied as a credit against the Final Purchase Price at Closing but shall serve to compensate the Port for revenues lost from the Property as a result of delaying Closing. Buyer shall pay the Port the Monthly Extension Fee in advance on or before the first day of each month during the Second Extension Period, unless Buyer elects to terminate this Sale Agreement in accordance with its terms during such period, which election shall not be effective until the Port receives Buyer's written notice of termination. Buyer's failure to pay the Monthly Extension Fee on time as required by this paragraph shall constitute a breach by the Buyer hereunder and shall result, at the Port's election, in a termination of the Sale Agreement. The Monthly Extension Fee shall be prorated for partial months during the Second Extension Period. Provided Buyer is not then in default of this Sale Agreement, the right to a refund of the Earnest Money shall continue during the Second Extension Period if Buyer has not obtained the City Approval and the Other Agency Approvals and elects to terminate this Sale Agreement prior to termination of the Second Extension Period.

7.5 Extension Fee Credits

To the extent the Port receives any rents from Existing Tenants or any replacements thereof during the Second Extension Period, any such rents received by the Port net of the Port's actual costs incurred in connection with the Terminal One South Leases and Existing Tenants or any replacements, including without limitation administrative costs, taxes, utilities, maintenance, insurance, real estate, brokerage commissions and marketing costs, shall be a credit against the Monthly Extension Fees.

7.6 Outside Termination Date

Notwithstanding anything to the contrary contained herein, this Sale Agreement shall terminate if Closing has not occurred on or before ~~September~~ *June* 30, 2002.



8. DEED; BILL OF SALE

At Closing, the Port shall execute and deliver to Buyer the Deed, in substantially the form set forth in **Exhibit J**, conveying the Property to Buyer. The Deed will contain certain restrictive covenants, including restrictions on use, which should be carefully reviewed before signing this Sale Agreement. At Closing, the Port shall execute and deliver to Buyer a Bill of Sale, in substantially the form set forth in **Exhibit K**, conveying to Buyer all personal property on the Property, including, but not limited to, the dock structure located on the submerged and submersible lands adjacent to the Property.

9. TITLE INSURANCE

At Closing, the Port shall authorize the Escrow Agent to issue Buyer a standard owner's policy of standard title insurance, insuring the vesting of fee title to the Property in Buyer in the amount of the Purchase Price (subject to adjustments pursuant to Section 5.5), subject only to the Permitted Encumbrances. The Port will pay the premium for this standard title insurance. The Buyer shall pay the additional premium charged for extended title insurance coverage and any costs associated with obtaining such coverage, such as any survey work, if Buyer desires to

obtain extended title insurance coverage. The Port may obtain, at its cost, a seller's standard title insurance policy, including a survey endorsement.

10. TAXES

There shall be no proration of taxes. The Port is exempt from taxation. The portions of the Property leased pursuant to the Terminal One South Leases referenced in Section 12 are subject to property taxes. At Closing Buyer shall assume all tax liability for the Property. Buyer is responsible for investigating all tax matters at its own expense, determining all necessary filing and qualification requirements, meeting all necessary filing due dates, and meeting all other regulatory requirements.

11. POSSESSION

Buyer shall be entitled to possession of the Property immediately upon Closing, except Port shall have the unencumbered right to access the Property to complete its obligations under this Sale Agreement that survive Closing and on the terms and conditions thereof.

12. ASSIGNMENT OF LEASES

As of the date of this Sale Agreement, the Port is leasing portions of the Property to four separate tenants ("Existing Tenants"): High Temp N.W., Inc.; Thermopressed Laminates, Inc.; Tri-Star Transload, Inc.; and Multnomah County Sheriff's Office (the "Terminal One South Leases"). The Port agrees to assign to Buyer and Buyer agrees to assume from the Port the landlord's obligations under the Terminal One South Leases at Closing and to accept the Terminal One South Leases as-is, without any representation or warranty from the Port. The Port, however, does not represent that the Terminal One South Leases will be in effect at Closing. Copies of the Terminal One South Leases have been provided to Buyer. The Port agrees not to enter into any new leases of the Property or portions thereof prior to Closing without Buyer's consent, which may be withheld in Buyer's sole discretion. The Port will not amend any existing leases or agreements without first consulting with Buyer but no consent of Buyer is required so long as such leases or agreements may be terminated on no more than thirty (30) days notice. Buyer agrees that Buyer shall not amend, extend or modify such Terminal One South Leases or enter into other leases, permits, easements, sales, or other property transactions after Closing (the "Post-Closing Transactions") such that such Post-Closing Transactions would adversely impact the Port's ability to meet its obligations under Section 5.6. The Port and Buyer will reasonably cooperate and consult with each other as to any modifications of the leases or agreements in order to provide a greater return to both the Port and Buyer before and after Closing.

13. UTILITIES AND SERVICE AGREEMENTS

The parties agree to cooperate in the transfer of utility services and in the proration of utility costs. The Port has an existing service agreement with Honeywell to monitor the sprinkler systems on the Property and Terminal One North. The Port will terminate this service agreement at Closing.

14. ENVIRONMENTAL CONDITIONS

14.1 Definitions

For the purposes of this Agreement, the following definitions shall apply:

14.1.1.1 "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, State of Oregon, and local statutes, regulations, rules, permit terms, codes, and ordinances now or hereafter in effect, as the same may be amended from time to time, and applicable decisional law which in any way govern materials, substances, regulated wastes, emissions, pollutants, animals or plants, noise, or products and/or which relate to the protection of health, natural resources, safety, or the environment.

14.1.1.2 "Hazardous Substances" shall be interpreted in the broadest sense to include any and all substances, emissions, pollutants, materials, or products defined or designated as hazardous, toxic, radioactive, dangerous, or regulated wastes or materials or any other similar term in or under any Environmental Laws. "Hazardous Substances" shall also include, but not be limited to, fuels, petroleum, and petroleum-derived products.

14.1.1.3 "Environmental Cost" shall be interpreted in the broadest sense to include, without limitation, costs and damages arising from or relating to (i) any actual or claimed violation of or noncompliance with any applicable Environmental Law; (ii) claims for damages, response costs, special audit costs, fines, fees or other relief relating to matters addressed in any applicable laws and regulations; (iii) injunctive relief relating to matters addressed in any Environmental Law; (iv) Hazardous Substance Releases; and (v) any violations of the environmental provisions in this Sale Agreement. Costs and damages as used in this paragraph shall include but not be limited to: (a) costs of evaluation, testing, analysis, cleanup, remediation, removal, disposal, monitoring and maintenance; (b) costs of reporting to or negotiating with any government agency; (c) fees of attorneys, engineers, consultants, and experts, whether or not taxable as costs, incurred at, before or after trial, appeal or administrative proceedings; (d) lost revenue; and (e) diminution of value, loss, or restriction on use of property.

14.1.1.4 "Hazardous Substance Release" shall be interpreted in the broadest sense to include the spilling, discharge, deposit, injection, dumping, emitting, releasing, leaking or placing of any Hazardous Substance into the air or into or on any land or waters, except as authorized by a then current and valid permit issued under applicable laws or regulations.

14.2 Environmental Liability

As set forth in Section 5.6 of this Sale Agreement, the Port has conducted Port Environmental Studies of the Property and, as set forth in Section 5.6, the Port has commenced a Port Sediment Study of the submerged and submersible lands adjacent to the Property and in the Adjacent Slip. Pursuant to Section 5.6.1, Buyer may conduct additional environmental assessments of the Property. The Port and Buyer hereby agree that the Port's Environmental Studies, the Port's Sediment Study and any Buyer's Studies which are reasonably acceptable to the Port (collectively the "Environmental Studies"), shall serve as the baseline for determining any future environmental liability. It is agreed, therefore, that a rebuttable presumption will exist that as of the date of such Environmental Studies, the Property, the submerged and submersible lands are free of any Hazardous Substance contamination except as disclosed by the Environmental Studies and which remains on the Property or submerged or submersible lands adjacent to the Property after removal of any contaminants to the Cleanup Standard pursuant to Section 5.6 (the "Preexisting Contamination"). If Hazardous Substance contamination not constituting Preexisting Contamination is later discovered, a rebuttable presumption will exist that the Hazardous Substance contamination occurred after Closing, and Buyer is, therefore,

responsible for all response, remediation, restoration and Environmental Cost arising from the Hazardous Substance, any Hazardous Substance Release or the violation of any applicable Environmental Laws. Notwithstanding the foregoing, however, the Port agrees that if, in the future, a Hazardous Substance is discovered on the Property or the submerged and submersible lands and Buyer can prove that such Hazardous Substance release occurred during Port ownership of the Property, or was otherwise caused by the Port, then the Port shall be responsible for the cleanup of the Hazardous Substance. Cleanup by the Port shall be limited to the standard required by the DEQ, or its successor organization. Buyer agrees to indemnify, hold harmless, and defend the Port for, from and against all Environmental Costs incurred by the Port or assessed against the Port under Environmental Law, which Environmental Costs arise out of, or are in connection with, Buyer's use or ownership of the Property, including the acts or omissions of Buyer or Buyer's officers, directors, agents, representatives, employees, contractors, invitees, or any other person or entity acting by or on behalf of Buyer, and with respect to any Hazardous Substance Contamination not constituting Preexisting Contamination and not otherwise shown by the Buyer to have occurred during Port ownership of the Property or to have been caused by the Port.

14.3 Survival of Provision

This Section 14 shall survive Closing.

15. LAND USE DISCLAIMER

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH MAY LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

16. PROPERTY CONDITION DISCLAIMER

Buyer acknowledges that Buyer will have or has had an opportunity to inspect the Property and prior to Closing agrees to accept the Property in its as-is condition as of the date of the Closing, except for Port cleanup pursuant to Section 5.6.4 and, as may be the case, Section 5.6.5, each of which shall survive Closing. Except as expressly provided in Section 18, Buyer has not relied upon any implied or express warranties of the Port or the Port's employees or agents in connection with the Property, the purchase thereof, or the availability of Buyer's or the Property's qualification for any local, state, or federal incentive, benefit, or grant program. Except as otherwise expressly provided in this Sale Agreement, the Port hereby specifically disclaims any warranty, guarantee or representation, oral or written, either past, present, or future, of, as to, or concerning the nature and/or condition of the Property, including, without limitation, environmental condition, soil and geology of the Property, zoning of the Property, and the suitability thereof for any structure which Buyer may construct thereon, and the condition, suitability, or fitness for a particular purpose (whether or not known to the Port) of any improvement or personal property located on the Property, including without limitation the rail

track described in Section 1.1, or on the adjacent submerged and submersible land, the ability to obtain any permits which may be required to use, develop, occupy, rehabilitate, or otherwise modify the Property or the submerged or submersible lands adjacent to the Property. Buyer agrees that the Port will not be responsible for any loss, damage, or costs which may be incurred by Buyer by reason of any condition of the Property, personal property or rail track located adjacent to or included as part of the Property. Without limiting the generality of the foregoing, Buyer is advised that certain portions of the improvements located on the Property, specifically the rail track described in Section 1.1 and dock structure, may contain sections that are unsafe for vehicles and/or pedestrians.

17. REPRESENTATIONS AND WARRANTIES OF BUYER

In addition to any other covenants, representations, or warranties of Buyer contained in this Sale Agreement, the following constitute representations and warranties of Buyer to the Port:

17.1 Legal Authority

Buyer has the legal power, right, and authority to enter into this Sale Agreement and the instruments referred to in this Sale Agreement and to consummate the transactions contemplated in this Sale Agreement.

17.2 Corporate Action

All requisite action (corporate, trust, partnership, or otherwise) has been taken by Buyer in connection with entering into this Sale Agreement and the instruments referred to in this Sale Agreement and with the consummation of the transactions contemplated herein. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, or other party is required.

17.3 Authorized Agent

The persons executing this Sale Agreement and the instruments referred to in this Sale Agreement on behalf of Buyer have the legal power, right, and actual authority to bind Buyer to the terms and conditions of this Sale Agreement. A resolution of the Buyer's Members and of Tiger's Members will be delivered to the Escrow Agent with the first payment of the Earnest Money, confirming this authorization.

17.4 Binding Obligations

This Sale Agreement and all documents required by it to be executed by Buyer are and shall be valid and legally binding obligations of Buyer and shall be enforceable against Buyer in accordance with their terms.

17.5 No Conflict

Neither the execution and delivery of this Sale Agreement and documents referred to herein, nor the incurring of the obligations set forth in this Sale Agreement, nor the consummation of the transactions contemplated, nor compliance with the terms of this Sale Agreement and the documents referred to herein conflict with or result in the material breach of any terms, conditions, or provisions of or constitute a default under any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which Buyer is a party.

18. WARRANTIES OF THE PORT

The Port represents and warrants to Buyer that, upon Commission approval, the Port has the legal power, right, and authority to enter into this Sale Agreement, and any document referenced herein, under the terms stated herein, and the persons executing this Sale Agreement and the instruments referred to in this Sale Agreement on behalf of the Port have the legal power, right, and actual authority to bind the Port to the terms and conditions of this Sale Agreement. Neither the execution and delivery of this Sale Agreement and documents referred to herein, nor the incurring of the obligations set forth in this Sale Agreement, nor the consummation of the transactions contemplated, nor compliance with the terms of this Sale Agreement and the documents referred to herein conflict with or result in the material breach of any terms, conditions, or provisions of or constitute a default under any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which the Port is a party. In the event this Sale Agreement is challenged on the basis that it fails to conform to Buyer's Proposal (excepting therefrom matters as may relate to the Purchase Price), Buyer and the Port will consult with one another in good faith to determine what actions can be taken. If a legal action is brought based on such nonconformance prior to Closing, Buyer, after receipt of notice of such legal action from the Port (which shall include a copy of the complaint) shall indemnify, defend (with legal counsel acceptable to the Port), reimburse and hold harmless the Port for, from and against any claims, losses or damages arising from any such nonconformance or alleged nonconformance. In lieu thereof, the Buyer may elect, within ten (10) business days after receipt of notice of such legal action from the Port, to terminate this Sale Agreement, and Buyer shall be entitled to the return of the Earnest Money; provided, however, that if Buyer does not elect to terminate within such ten (10) day period, then Buyer's indemnity obligations as set forth in the foregoing sentence shall survive any subsequent termination of this Sale Agreement until such legal action is terminated or otherwise resolved; and, in addition, if Buyer elects to terminate within such ten (10) day period, then Buyer's indemnity and defense obligations as set forth in the foregoing sentence shall be limited to a total of fifty thousand dollars.

19. DEFAULT/FAILURE TO CLOSE

If Closing does not occur as contemplated by this Sale Agreement, the remedies of the parties shall be as specified below:

19.1 Default by the Port

In the event the sale does not Close by the Closing Date as a result of any default of this Sale Agreement by the Port, Buyer shall be entitled to a return of the Earnest Money, subject to the provisions of Section 3 and 5.6.5, as liquidated damages and the interest thereon and the Port shall pay all escrow fees. In such an event, this Sale Agreement shall terminate and neither party shall have any further rights or obligations under this Sale Agreement, except pursuant to any indemnity provisions which, by their nature, are intended to survive termination of this Sale Agreement. In the alternative, Buyer shall be entitled to sue the Port for specific performance. In no event shall Buyer have a claim for damages.

19.2 Default by Buyer

In the event the sale does not Close by the Closing Date (as may be extended as set forth above) by reason of any default of this Sale Agreement by Buyer, Buyer and the Port agree that

the Port shall be entitled to retain the Earnest Money, plus interest thereon, as liquidated damages, plus the amount of any extension fee paid by Buyer pursuant to Section 7.3 and 7.4 if any. The Port and Buyer agree that it would be impractical and extremely difficult to estimate the damages that the Port may suffer. The payment of this amount as liquidated damages is not intended as a forfeiture or penalty but is intended to constitute liquidated damages to Port, which the parties have specifically negotiated. Therefore, Buyer and the Port agree that a reasonable estimate of the total damages that the Port would suffer in the event that Buyer defaults and fails to complete the purchase of the Property is and shall be an amount equal to the entire amount of Earnest Money. In the event of such default, the Port will provide Buyer with written notice of default and give Buyer the opportunity to cure the default. If Buyer fails to cure the default in fifteen (15) calendar days from the date of the notice of default, the Port may direct the Escrow Agent to immediately pay the Earnest Money, plus the interest earned thereon, to the Port upon receipt of a signed statement from the Port that it has complied in all respects with the terms of this Sale Agreement and that Buyer is in default of this Sale Agreement. If Buyer fails to cure the default in fifteen (15) calendar days from the date of the notice of default, the Escrow Agent is hereby instructed that the Escrow Agent shall not require Buyer's written approval as a condition precedent to the disbursement of the Earnest Money to the Port and this Sale Agreement shall terminate. In the event of such termination as a result of a breach by Buyer, neither party shall have any further rights or obligations under this Sale Agreement, except pursuant to any indemnity provisions which, by their nature, are intended to survive termination of this Sale Agreement. In the event the sale fails to close by reason of any default by Buyer, Buyer shall also pay all escrow fees. Nothing contained in this Section shall apply post-Closing to any breach of this Sale Agreement by Buyer.

19.3 Default After Closing

The above Sections 19.1 and 19.2 apply only to a default which causes the sale contemplated by this Sale Agreement not to Close. Should a default occur of any provisions of this Sale Agreement that survive Closing, then the non-defaulting party shall have available to it, and shall be entitled to pursue against the defaulting party, all available remedies, both at law and in equity.

19.4 No Breach

In no event shall the Port be in default of this Sale Agreement if a court order prohibits the Port from performing as otherwise required hereunder. In addition, in no event shall the Buyer be in default under this Sale Agreement if a court order prohibits the Buyer from performing as otherwise required hereunder.

20. NO THIRD-PARTY BENEFIT; NO ASSIGNMENT WITHOUT PORT CONSENT

Nothing in this Sale Agreement gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise, to third parties. No assignment prior to Closing of this Sale Agreement or replacement or deletion of any of the existing Buyer's Members or Tiger's Members existing as of the date of this Sale Agreement as set forth in Section 1.3 shall be allowed without the prior written consent of the Port, which the Port will not unreasonably withhold.

21. ATTORNEY FEES

If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Sale Agreement or to interpret or enforce any rights or obligations hereunder, the prevailing party shall be entitled to recover attorney fees and all other fees, costs, and expenses actually incurred as reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law. Payment of all such fees and costs shall also apply to any administrative proceeding, trial, and/or any appeal or petition for review.

22. NOTICES

Except as expressly provided otherwise in this Sale Agreement, all notices required under this Sale Agreement shall be deemed to be properly served if sent by certified mail, return receipt requested, or delivered by hand to the last address previously furnished by the parties hereto. Until hereafter changed by the parties by notice in writing, notices shall be sent as follows:

To the Port at:

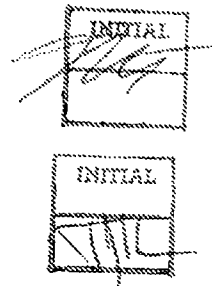
The Port of Portland
Property and Development Services
Attention: Manager, Property and Development Services
121 N.W. Everett Street
Portland, OR 97209
Facsimile No.: (503) 944-7466

and to:

The Port of Portland
Legal Department
121 N.W. Everett Street
Portland, OR 97209
Facsimile No.: (503) 944-7038

to Buyer at:

Riverscape LLC
Attention: Thomas Kemper
6442 S.W. Loop Drive
Portland, OR 97221
Facsimile No.: (503) 94-0883



with a copy to:

Foster Pepper & Shefelman LLP
Attention: Michael R. Silvey
101 S.W. Main Street, 15th Floor
Portland, OR 97204
Facsimile No.: (503) 221-1510

The date of service of such notice by mail is agreed to be three (3) days after the date such notice is deposited in a post office of the United States Post Office Department, certified mail, postage

prepaid or, if delivered by hand, then the actual date of hand delivery. Notice may also be given by facsimile. The burden of proof concerning receipt of the facsimile will be on the sender who may satisfy the burden by presenting a receipt of the transmission showing the date the transmission successfully occurred, the facsimile number that the transmission was sent to, the name of the party to whom the facsimile was sent, and a description of the document sent.

23. DISPUTE RESOLUTION

Should any dispute arise between the Port and Buyer concerning the transactions contemplated by this Sale Agreement prior to Closing, other than a dispute regarding (1) the failure or alleged failure to make any payment when due under the Note or (2) any obligations arising under Section 14 of this Sale Agreement, such dispute will be submitted to mediation prior to any litigation. Prior to submitting the dispute to mediation, the manager of Buyer, and the Port's Executive Director or his designee shall meet in an attempt to resolve the dispute. The parties shall exercise good faith efforts to select a mediator, who shall be compensated equally by both parties. Mediation will be conducted in Portland, Oregon. If the parties are unable to agree on a mediator within ten (10) days after a request for mediation by any party, a mediator shall be appointed upon the request of any party by the Arbitration Service of Portland, Inc. All mediations shall be conducted by a single mediator under the rules of the Arbitration Service of Portland, Inc.

24. BROKERS

Buyer and the Port each represents to one another that neither has dealt with any agent or broker in connection with this Sale Agreement and each agrees to indemnify and hold harmless the other from and against all damages, costs, and expenses (including attorney, accountant and paralegal fees) arising in connection with any claim of an agent or broker alleging to have been retained by the other in connection with this Sale Agreement. This provision shall survive termination or Closing.

25. PERFORMANCE AND NON-WAIVER

Time is of the essence in the performance of the obligations set forth herein. Failure to enforce any provision of this Sale Agreement shall not constitute a waiver of that provision or the future prompt enforcement of that provision. This Sale Agreement may not be modified, except by the mutual written agreement of the parties, signed by both the Port and Buyer.

26. TIME PERIODS; HOLIDAYS

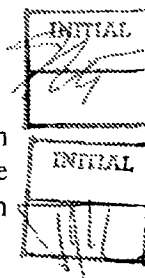
If the final date of any period of time set forth herein occurs on a Saturday, Sunday or legal holiday, then in such event the expiration of such period of time shall be postponed to the next day which is not a Saturday, Sunday or legal holiday.

27. GOVERNING LAW

This Sale Agreement shall be governed, construed and enforced under the laws of the State of Oregon.

28. NO MERGER; SURVIVAL

The waivers, covenants, indemnities, representations, obligations, and warranties contained in Sections 1.2, 5.6, 6, 14, 16, ~~Error! Reference source not found.~~ 19 and 24 of this Sale Agreement shall all survive the Closing to the extent the obligations thereunder have not been fully performed by Closing.



29. SEVERABILITY

If any provision of this Sale Agreement is held to be invalid or unenforceable, the remainder of this Sale Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Sale Agreement shall be valid and enforceable to the fullest extent permitted by law.

30. HEADINGS AND TABLE OF CONTENTS

Section headings and the table of contents contained in this Sale Agreement are for convenience in reference and are not intended to define or limit the scope of any provision of this Sale Agreement.

31. EXHIBITS INCORPORATED BY REFERENCE

All Exhibits attached to this Sale Agreement are incorporated by reference into this Sale Agreement for all purposes.

32. DEFINED TERMS

Capitalized terms shall have the meaning given them in the text of this Sale Agreement.

33. NO LIMIT ON PORT'S POWERS

Nothing in this Sale Agreement or in any of the documents or transactions referenced in this Sale Agreement shall limit, in any way, the power and right of the Port to exercise its governmental rights and powers, including its powers of eminent domain.

34. ENTIRE AGREEMENT

This Sale Agreement represents the entire agreement between the Port and Buyer relating to Buyer's purchase of the Property. It is understood and agreed by Buyer that neither the Port nor the Port's agents or employees have made any representations or promises with respect to this Sale Agreement or the making or entry into this Sale Agreement, except as expressly set forth in this Sale Agreement. No claim for liability shall be asserted based on any claimed breach of any representations or promises not expressly set forth in this Sale Agreement. All oral agreements, if any, are void and expressly waived by Buyer and the Port. This Sale Agreement has been thoroughly negotiated between the parties; therefore, in the event of ambiguity, there shall be no presumption that such ambiguity should be construed against the drafter.

IN WITNESS WHEREOF, the parties hereto have subscribed their names.

RIVERSCAPE LLC, an Oregon limited liability company



By: Tiger Properties LLC, an ^{Washington} ~~Oregon~~ limited liability company, its Managing Member


By: 



Name: Thomas J. Kemper

Title: Managing Member


THE PORT OF PORTLAND, a port district of the State of Oregon

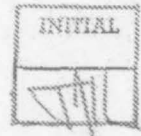
By: 
Mike Thorne, Executive Director

APPROVED AS TO LEGAL SUFFICIENCY
FOR THE PORT

By: 
Counsel for Port of Portland

APPROVED BY COMMISSION ON:

August 10, 2000 



List of Exhibits

Exhibit A	Property Drawing
Exhibit B	Terminal One North and Adjacent Slip
Exhibit C	Letter from Stan Harrelson and John Goodman
Exhibit D	Letter from Prudential Insurance Company
Exhibit E	Note
Exhibit F	Preliminary Title Report
Exhibit G	Confidentiality Agreement
Exhibit H	Estoppel Certificate
Exhibit I	Permit and Right of Entry to Buyer
Exhibit J	Special Warranty Deed Form
Exhibit K	Bill of Sale

A PARCEL OF LAND ABOVE THE LINE OF ORDINARY HIGH WATER, LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 28, TOWNSHIP ONE NORTH, RANGE ONE EAST OF THE WALLACE MERIDIAN, IN THE CITY OF PORTLAND, COUNTY OF MULTNOMAH AND STATE OF OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF LOTS 1 THROUGH 20 OF THE FIRST BLOCK OF WALTONS ADDITION TO THE CITY OF PORTLAND, ALL OF LOTS 21 THROUGH 25, THE BLOCK 2, DOCKERS ADDITION TO THE CITY OF PORTLAND AND ALL OF LOTS 1 THROUGH 7, AND PORTIONS OF LOTS 8 AND 9, SIDEROCKS ADDITION TO THE CITY OF PORTLAND, BEING FURTHER DESCRIBED AS FOLLOWS:

[illegible]

SUBJECT TO THE FOLLOWING EASEMENTS OF RECORD, AS PER PLAT THIRTY-FOUR COUNTY DEEDS RECORD, BOOK 23, PAGE 10, DATED 2006, STATE OF OREGON, 0001 HIGHWAY 300, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032, 3033, 3034, 3035, 3036, 3037, 3038, 3039, 3040, 3041, 3042, 3043, 3044, 3045, 3046, 3047, 3048, 3049, 3050, 3051, 3052, 3053, 3054, 3055, 3056, 3057, 3058, 3059, 3060, 3061, 3062, 3063, 3064, 3065, 3066, 3067, 3068, 3069, 3070, 3071, 3072, 3073, 3074, 3075, 3076, 3077, 3078, 3079, 3080, 3081, 3082, 3083, 3084, 3085, 3086, 3087, 3088, 3089, 3090, 3091, 3092, 3093, 3094, 3095, 3096, 3097, 3098, 3099, 3100, 3101, 3102, 3103, 3104, 3105, 3106, 3107, 3108, 3109, 3110, 3111, 3112, 3113, 3114, 3115, 3116, 3117, 3118, 3119, 3120, 3121, 3122, 3123, 3124, 3125, 3126, 3127, 3128, 3129, 3130, 3131, 3132, 3133, 3134, 3135, 3136, 3137, 3138, 3139, 3140, 3141, 3142, 3143, 3144, 3145, 3146, 3147, 3148, 3149, 3150, 3151, 3152, 3153, 3154, 3155, 3156, 3157, 3158, 3159, 3160, 3161, 3162, 3163, 3164, 3165, 3166, 3167, 3168, 3169, 3170, 3171, 3172, 3173, 3174, 3175, 3176, 3177, 3178, 3179, 3180, 3181, 3182, 3183, 3184, 3185, 3186, 3187, 3188, 3189, 3190, 3191, 3192, 3193, 3194, 3195, 3196, 3197, 3198, 3199, 3200, 3201, 3202, 3203, 3204, 3205, 3206, 3207, 3208, 3209, 3210, 3211, 3212, 3213, 3214, 3215, 3216, 3217, 3218, 3219, 3220, 3221, 3222, 3223, 3224, 3225, 3226, 3227, 3228, 3229, 3230, 3231, 3232, 3233, 3234, 3235, 3236, 3237, 3238, 3239, 3240, 3241, 3242, 3243, 3244, 3245, 3246, 3247, 3248, 3249, 3250, 3251, 3252, 3253, 3254, 3255, 3256, 3257, 3258, 3259, 3260, 3261, 3262, 3263, 3264, 3265, 3266, 3267, 3268, 3269, 3270, 3271, 3272, 3273, 3274, 3275, 3276, 3277, 3278, 3279, 3280, 3281, 3282, 3283, 3284, 3285, 3286, 3287, 3288, 3289, 3290, 3291, 3292, 3293, 3294, 3295, 3296, 3297, 3298, 3299, 3300, 3301, 3302, 3303, 3304, 3305, 3306, 3307, 3308, 3309, 3310, 3311, 3312, 3313, 3314, 3315, 3316, 3317, 3318, 3319, 3320, 3321, 3322, 3323, 3324, 3325, 3326, 3327, 3328, 3329, 3330, 3331, 3332, 3333, 3334, 3335, 3336, 3337, 3338, 3339, 3340, 3341, 3342, 3343, 3344, 3345, 3346, 3347, 3348, 3349, 3350, 3351, 3352, 3353, 3354, 3355, 3356, 3357, 3358, 3359, 3360, 3361, 3362, 3363, 3364, 3365, 3366, 3367, 3368, 3369, 3370, 3371, 3372, 3373, 3374, 3375, 3376, 3377, 3378, 3379, 3380, 3381, 3382, 3383, 3384, 3385, 3386, 3387, 3388, 3389, 3390, 3391, 3392, 3393, 3394, 3395, 3396, 3397, 3398, 3399, 3400, 3401, 3402, 3403, 3404, 3405, 3406, 3407, 3408, 3409, 3410, 3411, 3412, 3413, 3414, 3415, 3416, 3417, 3418, 3419, 3420, 3421, 3422, 3423, 3424, 3425, 3426, 3427, 3428, 3429, 3430, 3431, 3432, 3433, 3434, 3435, 3436, 3437, 3438, 3439, 3440, 3441, 3442, 3443, 3444, 3445, 3446, 3447, 3448, 3449, 3450, 3451, 3452, 3453, 3454, 3455, 3456, 3457, 3458, 3459, 3460, 3461, 3462, 3463, 3464, 3465, 3466, 3467, 3468, 3469, 3470, 3471, 3472, 3473, 3474, 3475, 3476, 3477, 3478, 3479, 3480, 3481, 3482, 3483, 3484, 3485, 3486, 3487, 3488, 3489, 3490, 3491, 3492, 3493, 3494, 3495, 3496, 3497, 3498, 3499, 3500, 3501, 3502, 3503, 3504, 3505, 3506, 3507, 3508, 3509, 3510, 3511, 3512, 3513, 3514, 3515, 3516, 3517, 3518, 3519, 3520, 3521, 3522, 3523, 3524, 3525, 3526, 3527, 3528, 3529, 3530, 3531, 3532, 3533, 3534, 3535, 3536, 3537, 3538, 3539, 3540, 3541, 3542, 3543, 3544, 3545, 3546, 3547, 3548, 3549, 3550, 3551, 3552, 3553, 3554, 3555, 3556, 3557, 3558, 3559, 3560, 3561, 3562, 3563, 3564, 3565, 3566, 3567, 3568, 3569, 3570, 3571, 3572, 3573, 3574, 3575, 3576, 3577, 3578, 3579, 3580, 3581, 3582, 3583, 3584, 3585, 3586, 3587, 3588, 3589, 3590, 3591, 3592, 3593, 3594, 3595, 3596, 3597, 3598, 3599, 3600, 3601, 3602, 3603, 3604, 3605, 3606, 3607, 3608, 3609, 3610, 3611, 3612, 3613, 3614, 3615, 3616, 3617, 3618, 3619, 3620, 3621, 3622, 3623, 3624, 3625, 3626, 3627, 3628, 3629, 3630, 3631, 3632, 3633, 3634, 3635, 3636, 3637, 3638, 3639, 3640, 3641, 3642, 3643, 3644, 3645, 3646, 3647, 3648, 3649, 3650, 3651, 3652, 3653, 3654, 3655, 3656, 3657, 3658, 3659, 3660, 3661, 3662, 3663, 3664, 3665, 3666, 3667, 3668, 3669, 3670, 367

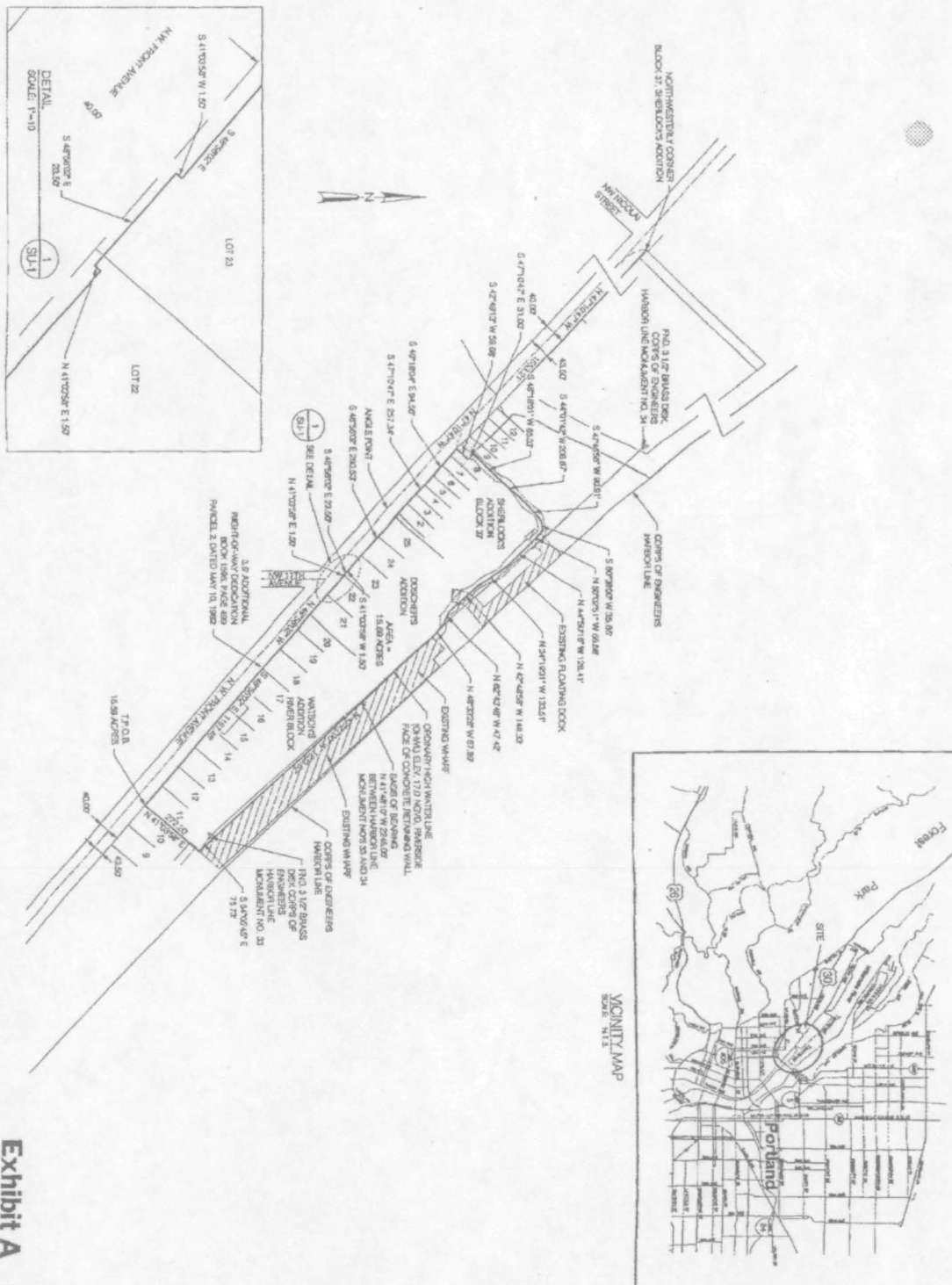
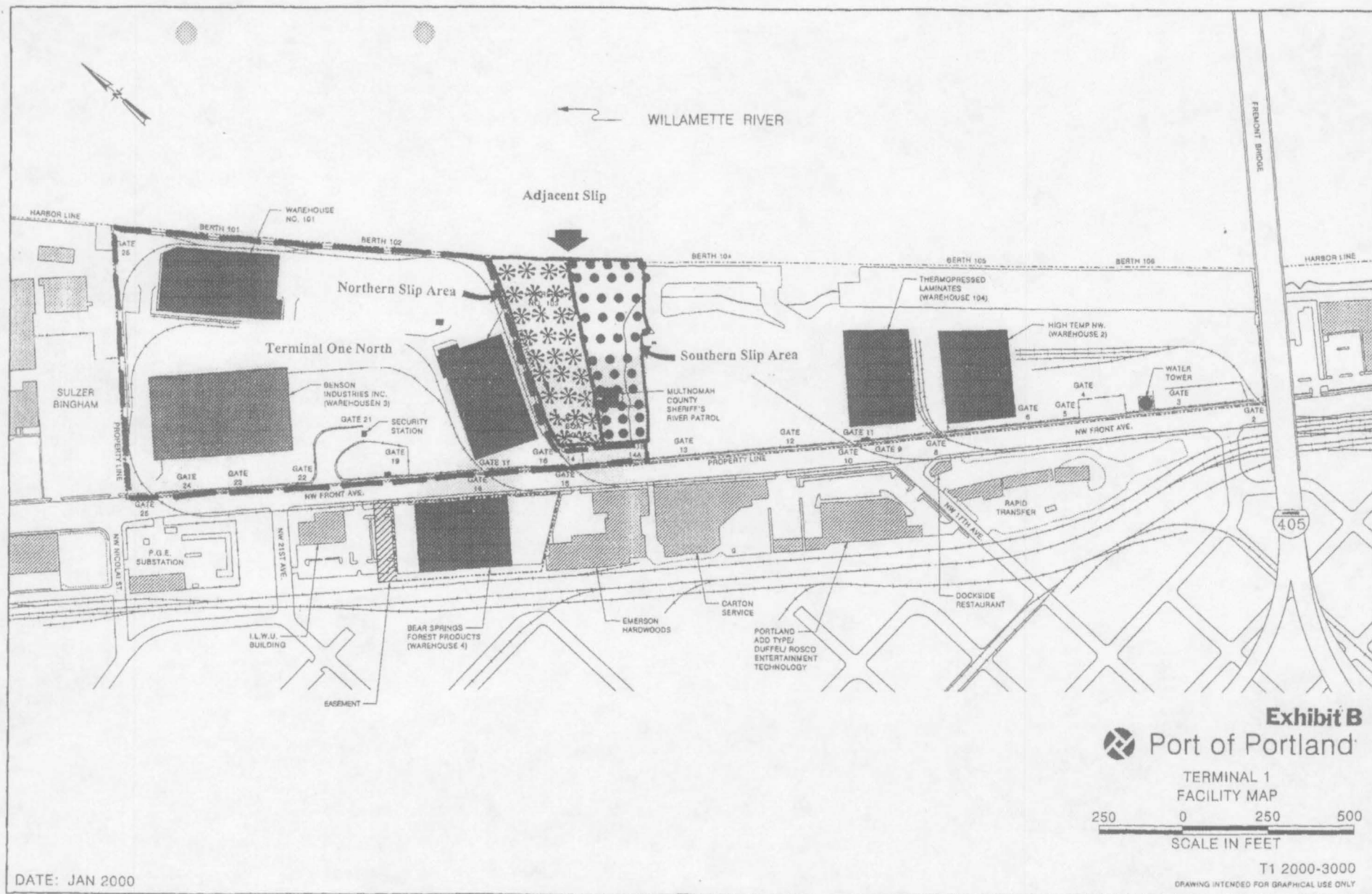


Exhibit A



Goodman and Harrelson
401 Second Avenue South, Suite 110
Seattle, WA 98104
(206) 215-9700

June 14, 2000

Port of Portland
Contracts and Procurement Office
5th Floor
121 NW Everett
Portland, Oregon 97209

Re: Terminal One
Commitment for Funding

Ladies and Gentlemen:

We are fifty percent owners and principals of Tiger Properties, LLC, the proposed developer for the Terminal One Redevelopment project under the proposal, dated June 2, 2000, submitted to the Port by Tiger Properties together with GGLO and R&H Construction in response to the Port's RFP, dated April 3, 2000, requesting submittals for the redevelopment of that site.

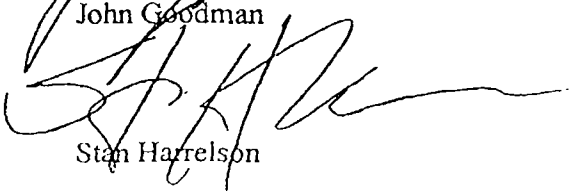
We wish to affirm our financial commitment to the project on behalf of Tiger Properties. Contingent on the negotiation of mutually acceptable documentation for the purchase and sale of the property and the satisfaction of the conditions in that agreement, we are committing to fund the acquisition of the property and the expenditures necessary to stabilize the site for development. This commitment will involve the funding of equity and/or debt financing (or both) through Tiger Properties or its financial partner.

If you have any questions concerning our interest in the project or the nature of this commitment, please feel free to contact us.

Very truly yours,



John Goodman



Stan Harrelson

Exhibit C

POPT1S100403



Prudential



Michael Tyre
Principal
Prudential Real Estate Investors

Prudential Investments
6701 Center Drive W, Suite 710, Los Angeles CA 90045
Tel 310 665-3910 Fax 310 215-1760
michael.tyre@prudential.com

June 20, 2000

Port of Portland
Contracts and Procurement Office
5th Floor
121 NW Everett
Portland, Oregon 97209

Re: Terminal One
Commitment for Funding

Ladies and Gentlemen:

I am working with Tiger Properties, LLC, the proposed developer for the Terminal One Redevelopment project as per the proposal submitted to the Port dated June 2, 2000.

I wish to affirm the financial commitment to the project on behalf of Prudential Real Estate Investors ("Prudential"). Our commitment will be contingent on the negotiation of mutually acceptable documentation for the purchase and sale of the property and the satisfaction of the conditions in that agreement. Additionally, we will require the property to be institutionally underwritten and ultimately approved by our Investment Committee. To the extent those requirements are met we are committing to fund the acquisition of the property and the expenditures necessary to stabilize the site for development. This commitment will involve the funding of equity and/or debt.

If you have any questions concerning our interest in the project or the nature of this commitment, please feel free to contact us.

Very truly yours,

Michael Tyre
Principal

Cc: Stan Harrelson

Exhibit D

A Division of The Prudential Insurance Company of America



POPT1S100404

EXHIBIT E
PROMISSORY NOTE

\$270,000

Portland, Oregon
August 11, 2000

FOR VALUE RECEIVED, RIVERSCAPE LLC, an Oregon limited liability company ("Buyer") promises to pay to the Port of Portland, a port district organized under the laws of Oregon (the "Port"), at its offices at 121 NW Everett, Portland, Oregon 97209; or such other place as the Port may designate in writing, the sum of Two Hundred Seventy Thousand Dollars (\$270,000), to be paid in two installments, without interest except in the case of default by Buyer, as follows:

(A) If the Sale Agreement (as defined below) is then in effect, then the first installment, in the amount of One Hundred Thousand Dollars (\$100,000) in cash, is due and payable into escrow with the Escrow Agent, as that term is defined in the Sale Agreement, on or before November 30, 2000.

(B) If the Sale Agreement is then in effect, then the second installment, in the amount of One Hundred Seventy Thousand Dollars (\$170,000) in cash, is due and payable into escrow with the Escrow Agent on or before January 31, 2001.

November 30, 2000 and January 31, 2001 are each referred to herein as a "Payment Date".

If either installment is not paid in full within five (5) days after its Payment Date, then the entire indebtedness evidenced hereby shall be immediately due and payable. Neither installment bears interest until its Payment Date, but each installment bears interest at twelve percent (12%) per annum from its Payment Date until paid in full. Buyer may prepay all or any portion of this Note at any time without penalty.

In any action to enforce this Note and in any other dispute over this Note, the Port may recover from Buyer on demand all attorney fees and costs incurred by the Port in connection therewith. In addition, Buyer hereby waives presentment for payment, demand, and notice of nonpayment of this Note. Time is of the essence of this Note and the performance of every term, covenant, and obligation contained herein. This Note is governed by Oregon law.

This Note is given as earnest money pursuant to Section 3 of that certain Sale Agreement and Receipt for Earnest Money between the Port and Buyer dated as of August 11, 2000 (the "Sale Agreement").

RIVERSCAPE LLC, an Oregon limited liability company

By: TIGER PROPERTIES LLC, an Oregon limited
liability company, Manager

By: _____, Manager

1 - PROMISSORY NOTE



Chicago Title Insurance Company

FIFTH SUPPLEMENTAL TITLE REPORT
August 8, 2000

To: PORT OF PORTLAND
121 NW Everett St.
Portland, OR 97209

Order No: 126649
Escrow No: title only
Re: Port of Portland

Attention: PEGGY KRAUSE
Phone No: CONTRACTS ADMIN.

Standard Owners Coverage	\$	1,000.00	Premium	\$	200.00
Extended Lenders Coverage	\$	1,000.00	Premium	\$	100.00
100 and 116 Endorsements				\$	50.00
Service Fee				\$	25.00

We are prepared to issue a title insurance policy in ALTA (1992) form and amount shown above insuring the title to the property described herein. This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued, and the full premium therefore paid.

Vestee: THE PORT OF PORTLAND, a Port District of the State of Oregon

Dated as of: August 2, 2000 at 8:00 A.M.

Subject to the exceptions, exclusions, conditions and stipulations which are part of said policy, and to exceptions as shown herein.

CHICAGO TITLE INSURANCE COMPANY OF OREGON

By:

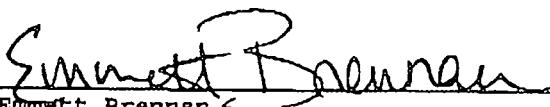

Emmett Brennan
Title Officer
10001 S.E. Sunnyside Road
Clackamas, OR 97015
(503) 653-7300

Exhibit F

POPT1S100406

Order No: 126649

DESCRIPTION

(Continued)

GENERAL EXCEPTIONS (Standard Coverage Policies only)

1. a. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
b. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. a. Easements, liens, encumbrances, interests or claims thereof which are not shown by the public records.
b. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
4. a. Unpatented mining claims;
b. Reservations or exceptions in patents or in Acts authorizing the issuance thereof;
c. Water rights, claims or title to water;
whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
5. Any lien or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

SPECIAL EXCEPTIONS

6. **AMENDED**
City liens, if any, of the City of Portland.
(None as of August 8, 2000).
- 6a. **AMENDED**
Taxes for the fiscal year 2000-2001, a lien but not yet payable.
7. Taxes, including the current fiscal year, not assessed because of Port of
Portland Owned Exemption. If the exempt status is terminated under the statute
prior to the date on which the assessment roll becomes the tax roll in the year
in which said taxes were assessed, an additional tax may be levied.
Code: 001
Account No.: R-21500-0010, R-76600-4290, R-76600-4291, R-76600-4292,
 R-88380-3920, R-88380-4040
8. Rights of the public and of governmental bodies in and to that portion of the
premises herein described lying below the high water mark of The Willamette
River.
9. Any adverse claims based upon the assertion that The Willamette River has changed
in location.
10. Any adverse claim based on the assertion that any portion of said land has been
created by artificial means or has accreted to such portions so created.
11. Rights established pursuant to ORS 274.905, et seq to all or any portion of the
herein described premises created by artificial means.
12. Ownership of the State of Oregon lying below the high water mark extending to the
perimeter of the Tax Assessed parcel of land presently assessed to the upland fee
holder.
13. Any unrecorded submersible land leases as may be required or in existence in form
consistent with the Tax Assessor Records.
14. Any riparian rights in favor of the upland owner.
15. Spur tracts as revealed by the Multnomah County Assessors Map.

(Continued)

SPECIAL EXCEPTIONS (Continued)

16. An easement created by instrument, including terms and provisions thereof.
Dated: January 17, 1968
Recorded: February 6, 1968
Book: 603
Page: 1144
In Favor Of: State of Oregon, by and through its State Highway Commission
For: Construction, reconstruction, operation and maintenance of Highway Bridge Pier and Pier Footing
Affects: S.E. 20 feet of Lot 11, River Lot 11, Watson's Addition
17. Covenants, conditions, restrictions and easements, but omitting restrictions, if any, based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant, (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, imposed by instrument, including the terms and provisions thereof.
Recorded: December 8, 1969
Book: 710
Page: 727
(Affects Southeasterly portion River Lot 11, Watson's Addition)
18. An easement created by instrument, including terms and provisions thereof.
Dated: September 24, 1971
Recorded: December 13, 1971
Book: 829
Page: 309
In Favor Of: City of Portland
For: Sewers
Affects: A. A 30 foot strip through the Southeast portion of Lot 11, River Block Watson's Addition to the City of Portland.

B. A 30 foot strip through the Northwest portion of Lot 13, River Block Watson's Addition to the City of Portland.

C. A 30 foot strip through the Northwesterly portion of Lot 23 and the Southeasterly portion of Lot 24, Block 2, Doscher's Addition to the City of Portland.
19. An easement created by instrument, including terms and provisions thereof.
Dated: April 24, 1972
Recorded: June 7, 1972
Book: 861
Page: 1296
In Favor Of: City of Portland
For: Installing, maintaining or replacing a meter vault
Affects: Southwest 8.5 feet of the Southeast 8.5 feet of the Northwest 45 feet of Lot 14, Watson's Addition, River Block

(Continued)

SPECIAL EXCEPTIONS (Continued)

20. Covenants, conditions, restrictions and easements, but omitting restrictions, if any, based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant, (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as contained in Ordinance No. 148474

Recorded: October 19, 1979
Book: 1392
Page: 2296

21. A Quitclaim Deed was;

Recorded: December 2, 1987
Book: 2062
Page: 1249

From the State of Oregon, acting by and through the Division of the State lands to the Port of Portland to convey a parcel of land above the line of ordinary high water, said deed incorrectly identified Lot 21 as being a part of the River Block of Watson's Addition, Lot 21 is actually part of Block 2, Doscher's Addition.

A Correction Deed was;

Recorded: April 4, 1988
Book: 2092
Page: 393

But failed to address this issue.

22. DELETED

- 22a. ADDED

Unrecorded Lease, including the terms and provisions thereof, and such other exceptions as may appear necessary upon the recording thereof;

Lessor: Port of Portland
Lessee: Tristar Transload Inc.
Disclosed By: Multnomah County Tax Printout
(Affects portion in Sherlock's Addition)

23. AMENDED

Unrecorded Lease, including the terms and provisions thereof, and such other exceptions as may appear necessary upon the recording thereof;

Lessor: Port of Portland
Lessee: Thermo Pressed Laminates Inc.
Disclosed By: Multnomah County Tax Printout
(Affects Lots 14-20, River Block, Watson's Addition)

- 23a. ADDED

The premises herein described were included within the boundaries of the River District Urban Renewal Plan as revealed by instrument.

Recorded: November 19, 1998
Recorder's Fee No.: 98211526

(Continued)

SPECIAL EXCEPTIONS (Continued)

Amended by instrument;

Recorded: April 8, 1999

Recorder's Fee No.: 99071635

23b. AMENDED

Covenants, conditions, restrictions and easements, but omitting restrictions, if any, based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant, (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as contained in LUR 98-01041 DZ

Recorded: March 2, 1999

Recorder's Fee No.: 99042638

(Affects Lots 14-20, River Block, Watson's Addition and Lots 21-25, Block 2, Doscher's Addition)

NOTE: In deeds to the City of Portland;

Recorded: September 12, 1904

Book: 325

Page: 282 and 284

The legal descriptions describing Lots 21 and 22, River Block 2, Doscher's Addition claim the lot line extends to the low water mark of the Willamette River. The recorded plat map does not reflect the location of the low water mark.

NOTE: This report addresses platted land only. The Multnomah County Tax Assessors Map indicates the property lines extend beyond the platted lot lines and into the Willamette River. Ownership of this additional land lying between the platted lot line and the harbor line shown on the Assessors Map cannot be determined in the public record.

NOTE: This report is subject to any amendments which might occur when a metes and bounds description is submitted to us.

NOTE: The forthcoming title insurance policy does not provide affirmative assurances as to the provisions of ORS 92.012-92.190 which requires that any division of an existing parcel is a partition requiring governmental approval.

NOTE: Taxes for the fiscal year 1999-2000, paid in full;

Amount: \$10,642.94

Levy Code: 708

Property ID No.: R269774

Alternate Account No.: R766004293

Map No.: 1N1E28DB

Tax Lot No.: 00100-A3

(Affects portion in Sherlock's Addition)

(Continued)

Order No: 126649

SPECIAL EXCEPTIONS (Continued)

NOTE: Taxes for the fiscal year 1999-2000, paid in full;
Amount: \$18,128.42
Levy Code: 708
Property ID No.: R298556
Alternate Account No.: R883804041
Map No.: 1N1E28D
Tax Lot No.: 00300-A1
(Affects Lots 14-20, River Block, Watson's Addition)

END OF REPORT

cc: NONE

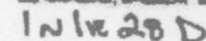
EB/de
August 8, 2000

LEGAL DESCRIPTION

A parcel of land lying above the line of ordinary high water, located in the Southeast one quarter of Section 28, Township 1 North, Range 1 East of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, more particularly described as follows:

All of Lots 11 through 20 of the River Block of WATSON'S ADDITION TO THE CITY OF PORTLAND, all of Lots 21 through 25 River Block 2, DOSCHER'S ADDITION TO THE CITY OF PORTLAND and all of Lots 1 through 7, and portions of Lots 8 and 9, Block 37, SHERLOCK'S ADDITION TO THE CITY OF PORTLAND, being further described as follows:

Beginning at a point on the Northeasterly right-of-way line of NW Front Avenue at the most Southerly corner of Lot 11 of the River Block of WATSON'S ADDITION TO THE CITY OF PORTLAND, from which a found 5/8" iron rod with red plastic cap bears South 84°00'06" West a distance of 0.08 feet; thence North 41°03'58" East leaving said Northeasterly right-of-way line, along the dividing line and the extension thereof between Lots 10 and 11 of said plat, a distance of 272.20 feet to a point on the ordinary high water line (OHWL) of the Willamette River as described in Book 2092, Page 393, dated April 4, 1988 (17.0 feet nation geodetic vertical datum 1929-47), at the riverside face of a concrete retaining wall; thence leaving said dividing line and the extension thereof between Lots 10 and 11, and running along the ordinary high water line the following eleven (11) courses; 1) along the riverside face of a concrete retaining wall, North 42°27'00" West a distance of 1223.62 feet; 2) thence leaving said concrete wall and continuing along the line of ordinary high water North 48°33'28" West a distance of 67.89 feet; 3) thence North 62°43'48" West a distance of 47.42 feet; 4) thence North 42°48'58" West a distance of 148.33 feet; 5) thence North 34°19'31" West a distance of 133.51 feet; 6) thence North 44°50'16" West a distance of 128.41 feet; 7) thence North 50°02'51" West a distance of 65.56 feet; 8) thence South 80°38'00" West a distance of 35.85 feet; 9) thence South 47°48'58" West a distance of 90.90 feet; 10) thence South 44°01'42" West a distance of 206.87 feet; 11) thence South 48°18'01" West a distance of 65.03 feet to a point directly below the Northeasterly edge of a concrete wharf; thence leaving said line of ordinary high water, South 47°10'47" East along the face of said wharf a distance of 31.00 feet to the Northeasterly corner thereof; thence South 42°49'13" West, perpendicular to the Northeasterly right-of-way line of NW Front Avenue a distance of 59.68 feet to a point on said Northeasterly right-of-way line, said point being 1553.21 feet from the Northwestern corner of Block 37, of SHERLOCK'S ADDITION TO THE CITY OF PORTLAND, as described as being the point of beginning of Parcel 2 of Book 1595, Page 499, dated May 10, 1982, Multnomah County Deed Records; thence along the Northeasterly right-of-way line of NW Front Avenue the following seven (7) courses: 1) South 49°18'04" East a distance of 94.56 feet; 2) thence South 47°10'47" East a distance of 257.34 feet; 3) thence South 48°56'02" East a distance of 280.53 feet; 4) thence South 41°03'58" West a distance of 1.50 feet; 5) thence South 48°56'02" East a distance of 23.50 feet; 6) thence North 41°03'58" East a distance of 1.50 feet; 7) thence South 48°56'02" East a distance of 1167.46 feet to the true point of beginning.



AMENDED AND RESTATED CONFIDENTIALITY AGREEMENT

The Port of Portland (the "Port") and Tiger Properties LLC and Riverscape LLC (collectively "Proposer") agree as follows:

1. This Amended and Restated Confidentiality Agreement (the "Agreement") is entered into for the general purpose of allowing the exchange of information between the parties. This Agreement amends and restates in its entirety that Confidentiality Agreement executed by the Port and Proposer on or about May 31, 2000.
2. This Agreement shall commence on May 31, 2000 (the "Effective Date") and remain in effect for a period of three (3) years from the Effective Date unless terminated earlier by written agreement between the Port and Proposer. Each party's obligations pursuant to this Agreement shall survive termination.
3. Each page of all confidential material supplied to Proposer or its consultants by the Port, or to the Port or its consultants by Proposer, shall be marked or labeled as Confidential, Privileged, or with some similar term or expression to indicate that the material is confidential material. Notwithstanding the foregoing, Proposer acknowledges that the documents listed in attached Exhibit I are subject to this Agreement even though such documents may not be marked or labeled as Confidential or Privileged.
5. Proposer and its consultants shall treat the documents listed in Exhibit I and other confidential material supplied by the Port as Privileged and Confidential to the extent permitted by law, and the Port and its consultants shall treat the confidential material supplied by Proposer as privileged and confidential to the extent permitted by law. In order to preserve such confidentiality and privilege, each receiving party shall comply with the following procedures.
 - 5.1 The receiving party shall not disclose the contents of or duplicate and distribute copies of the confidential material to any third party, including but not limited to its consultants, without the advance written consent of the disclosing party. In the event that confidential material is provided or made available to one or more consultants, or that the disclosing party provides confidential material directly to one or more consultants at the receiving party's request, the receiving party shall ensure that such consultant is made aware of this Agreement and agrees to be bound by its terms.
 - 5.2 The receiving party shall limit internal access to the confidential materials to those members of the receiving party's own staff and those members of consultants' staffs who are directly involved in providing service in response to the T-1 South RFP or in connection with T-1 South or otherwise have a need for access to the information. The confidential material shall be used only for purposes of advancing the Proposer's response to the RFP or Proposer's purchase and anticipated development of T-1 South, and for no other purposes.
6. This Agreement applies to all confidential material relating to T-1 South disclosed by one party to this Agreement to the other party. Nothing in this Agreement obligates either party to disclose any particular information or documents to the other party.

I - Confidentiality Agreement

G:\LEGAL\MISC\CONFIDENTIALITY\RIVERSCAPE82000.DOC

Exhibit G

POPT1S100415

7. The disclosing party does not warrant the completeness, accuracy or applicability of any confidential material or other information, data and documents supplied to the receiving party or its consultants in relation to T-1 South.

8. Upon termination or expiration of this Agreement, or earlier if requested by the disclosing party, the receiving party shall return, to the extent permitted by law, all confidential material and copies thereof, or at the disclosing party's option shall destroy, if permitted by law, any portions of the confidential material which the disclosing party does not wish returned; provided, however, that inadvertent failure to return or destroy confidential materials shall not constitute a breach of this Agreement if the confidential materials continue to be kept confidential. The receiving party shall be allowed to keep one copy of any confidential material for archival purposes but, only if kept confidential as per the terms of this Agreement.

9. This Agreement shall not require a receiving party to maintain the confidentiality of confidential material if:

9.1 The confidential material is or becomes generally available to the public, other than as a result of disclosure by the receiving party; or

9.2 The confidential material was available to the receiving party on a non-confidential basis prior to its disclosure by the disclosing party to the receiving party; or

9.3 The confidential material becomes available to the receiving party on a non-confidential basis from a party other than the disclosing party, and provided that such other party was entitled to make the disclosure to the receiving party.

10. No failure or delay by a party in exercising any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of a right, power or privilege, or waiver of a right, power or privilege, operate as a future waiver or preclude any future exercise of any right, power or privilege under this Agreement.

11. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, without giving effect to conflicts of law principles.

12. In the event of a breach or threatened breach of this Agreement, each party shall be entitled to enforce this Agreement by way of injunctive or equitable relief, in addition to any other rights and remedies available by law; provided, however, that nothing in this section shall limit the right of any party to contest any facts or make any legal argument relating to the existence of any breach or threatened breach of this Agreement.

13. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be the original, but all such counterparts shall constitute one and the same instrument.

14. The individuals signing below represent that they are authorized by the party for which they sign to contractually bind that party to the provisions of this Agreement.

PROPOSER

THE PORT OF PORTLAND

TIGER PROPERTIES LLC

By: _____
Title: _____

By: _____
Mike Thorne, Executive Director

RIVERSCAPE LLC

APPROVED AS TO LEGAL SUFFICIENCY
FOR THE PORT

By: TIGER PROPERTIES LLC
Its Manager

By _____
Title _____

By: _____
Counsel for Port of Portland

APPROVED BY COMMISSION ON:

Exhibit 1

The Port has previously provided to Buyer copies of the following environmental reports related to the T-1 South: (a) "Focused Environmental Site Assessment, Terminal 1, Between Slip No. 2 and the Fremont Bridge," prepared by Maul Foster and Alongi, Inc., dated August 25, 1998; (b) "Lead based Paint and Asbestos Survey POP T1 & 4," prepared by Marine and Environmental Testing Inc., dated November 20, 1995; (c) "Report of Findings, Environmental Review, Cascade West Transportation Services Leasehold T1, House No 1-5 & Open Storage Area," prepared by Century West Engineering Corporation, dated September 10, 1993; (d) "Environmental Site Assessment POP T1 House No 2," prepared by Geraghty & Miller, Inc., dated December 11, 1995; (e) "Limited Phase I Environmental Site Assessment, T1 House 105 and NW Cargo Lot," prepared by GeoEngineers Inc., dated March 12, 1996; (f) "Final Report Nondestructive Testing and Inspection of T1 - B 1-4, 105, 106," prepared by J. Agi & Associates, dated May 18, 1990; and (g) "Environmental Baseline Investigation for Marine Terminal 1 Redevelopment," prepared by Hahn and Associates, dated May 15, 2000, Volumes 1 and 2.

EXHIBIT H

TENANT ESTOPPEL CERTIFICATE

The undersigned ("Tenant"), tenant under that certain lease with _____ ("Landlord") dated _____, 2000 (the "Lease"), concerning certain property located in Portland, Oregon, more particularly described in the Lease (the "Leased Premises"), hereby represents and certifies to _____ ("Buyer") in connection with Buyer's acquisition of the Leased Premises as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Lease. There are no other written or oral agreements, amendments, or modifications to the Lease or with respect to the Leased Premises. Tenant has no extension, option, expansion or renewal rights under the Lease.

2. The term of the Lease has commenced and Tenant has accepted possession of the Leased Premises and is paying the full rent as described in the Lease.

3. The present base rent payable under the Lease is \$ _____ per month and Tenant has delivered to Landlord a non-refundable/refundable [mark one] security deposit of \$ _____.

4. No rental under the Lease has been paid more than 30 days in advance of its due date.

5. The Lease is valid and binding on Tenant, is in full force and effect, and is unmodified except as herein provided.

6. Landlord is not in default in the observance or performance of any covenant or condition to be observed or performed by Landlord under the Lease.

7. No event has occurred that permits, or with the lapse of time will permit, Tenant to terminate the Lease prior to the termination date set forth in the Lease.

8. All work required to be performed by Landlord under the Lease has been completed and the improvements, if any, required to be constructed by Landlord under the terms of the Lease have been completed to the full satisfaction of Tenant.

9. Tenant has no defense, charge, lien, or claim of offset under the Lease, or otherwise, against the rent or other charges due or to become due thereunder.

10. Tenant has paid all sums due to be paid to any third party as required by the Lease (including payment of all personal and real property taxes) as of the date hereof.

This Certificate shall be binding on and inure to the benefit of Landlord, Tenant, and Buyer, and their respective heirs, personal representatives, successors, and assigns. Tenant acknowledges that Buyer is relying on this Certificate in connection with the acquisition and financing of the Leased Premises and that it would not do so without this Certificate.

This Certificate is executed as of this _____ day of _____, 2000.

TENANT

By _____
Its _____

STATE OF OREGON)
) ss.
County of _____)

This instrument was acknowledged before me on the _____ day of _____,
2000 by _____ as _____ of _____.

Notary Public for Oregon
My Commission Expires: _____

**PORT OF PORTLAND
PERMIT AND RIGHT-OF-ENTRY
(SOILS AND ENVIRONMENTAL TESTING)**

Permit Number: _____

Date Issued: _____

PERMITTEE:

Riverscape LLC
6442 SW Loop Drive
Portland, OR 97221
Contact: Thomas Kemper
Phone: (503) 807-7008
Fax: (503) 294-0883

PERMITTOR:

The Port of Portland
121 NW Everett
Portland, OR 97209
Contact: Suzanne Brooks
Phone: (503) 944-7509
Fax: (503) 944-7466

The Port of Portland (hereinafter the "Port") hereby grants to RIVERSCAPE LLC, an Oregon limited liability company (hereinafter "Permittee") the nonexclusive right to enter upon and use the below-described Premises only in accordance with the terms and conditions set forth below:

1. PREMISES

The Property described as Terminal One South ("Permittee's Property") and shown on **Exhibit "A,"** attached hereto.

2. PERMITTED USE

This Permit and Right-of-Entry authorizes Permittee to enter upon the Premises, upon five (5) business days' prior notice given to the Port at the address stated above, for the sole purpose of conducting soils and environmental testing and site investigation at Permittee's cost. No penetration of the soil surface, no soil borings and no excavations of any type shall be made on the Premises without the prior consent of the Port, which shall not be unreasonably withheld but may be withheld if the Port, in its sole discretion, determines that the site of the soil borings may interfere unreasonably with the rights of any tenants on the Premises, or that the soil borings could cause the exacerbation or migration of any contamination, or that soil borings may result in the release of any Hazardous Substances on or under the Premises. No soil borings shall be made that could create a safety hazard. No equipment may be left or stored on the Premises. Any soil borings must be filled and the Premises restored to its condition as of the commencement of this Permit and Right-of-Entry. If Permittee discovers any contamination on the Premises, Permittee shall immediately notify the Port and shall stop all activities authorized hereunder and take all appropriate actions to prevent the contamination from migrating or being spread on or off the Premises. Permittee shall not materially interfere with the operations of the tenants on the Premises.

3. TERM OF PERMIT

The Commencement Date of this Permit and Right-of-Entry shall be August 11, 2000, and it shall terminate on the earliest of: a) Closing of the sale of the Property to Permittee contemplated by the Sale Agreement and Receipt for Earnest Money between the Port and Permittee dated August 11, 2000 ("Sale Agreement"); b) termination of the Sale Agreement; c) default of Permittee of the Sale Agreement; or d) default of Permittee of this Permit.

4. SPECIAL REQUIREMENTS

Permittee agrees to provide to the Port, at no cost to the Port, within thirty (30) days of completion, certified copies of any soils and/or environmental report(s) relating to investigations of the Premises that Permittee may conduct. The Port shall have the right to reproduce and use said report(s) subject to any limitations contained in the report itself. Permittee further agrees that, to the extent allowed by law, all information obtained as a result of such environmental and soils studies conducted by Permittee of the Premises shall be kept strictly confidential among Permittee, its agents, consultants, and engineers.

5. COMPENSATION TO BE PAID BY PERMITTEE

This Permit and Right of Entry is given pursuant to the Sale Agreement, and no permit fee is required.

6. TERMINATION

Notwithstanding any provision contained herein, the Port or its authorized representative may terminate this Permit and Right-of-Entry, at any time, for Permittee's Default. As used herein, the term "Default" shall mean the violation of any provision of this Permit and Right-of-Entry by Permittee. Upon notice of termination, Permittee shall immediately leave the Premises. Permittee's obligations and liability to the Port shall survive termination.

7. INDEMNITY AND REIMBURSEMENT

Permittee shall keep the Premises free and clear of any liens resulting from any entry onto the Premises. Permittee is an independent contractor and agrees to defend (using legal counsel acceptable to the Port), indemnify, hold harmless, and reimburse the Port from and against any and all actual or alleged claims, damages, expenses, costs, fees (including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines, and/or penalties (collectively "Costs") which may be imposed upon or claimed against the Port and which, in whole or in part, directly or indirectly, arise from or are in any way connected with: (i) any act, omission, or negligence of Permittee; (ii) any use, occupation, management, or control of the Premises by Permittee; (iii) any breach, violation, or nonperformance of any of Permittee's obligations under this Permit and Right-of-Entry; or (iv) any damage caused by Permittee on or to the Premises or any adjoining property. For purposes of this Section, "Permittee" shall be deemed to include Permittee and all of Permittee's respective partners, officers, directors, agents, employees, invitees, and/or contractors.

8. NO BENEFIT TO THIRD PARTIES

The Port and Permittee are the only parties to this Permit and Right-of-Entry and, as such, are the only parties entitled to enforce its terms. Nothing in this Permit and Right-of-Entry gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise, to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

9. INSURANCE

Insurance requirements set forth below do not in any way limit the amount or scope of liability of Permittee under this Permit and Right-of-Entry. The amounts listed indicate only the minimum amounts of insurance coverage the Port is willing to accept to help insure full performance of all terms and conditions of this Permit and Right-of-Entry. All insurance required by this Permit and Right-of-Entry shall meet the following minimum requirements:

9.1 Certificates; Notice of Cancellation

On or before the Commencement Date and thereafter for the duration of this Permit, Permittee shall provide the Port with current certificates of insurance, executed by a duly authorized representative of each insurer, as evidence of all insurance policies required under this Section. No insurance policy may be canceled, materially revised, or non-renewed without at least thirty (30) days' prior written notice being given to the Port. Insurance must be maintained without any lapse in coverage for the duration of this Permit and Right-of-Entry. Insurance allowed to lapse without Port consent shall be deemed a default under this Permit and Right-of-Entry. The Port shall also be given certified copies of Permittee's policies of insurance upon request.

9.2 Additional Insured; Separation of Insureds

The Port shall be named as an additional insured in each general liability policy. Such insurance shall provide cross-liability coverage equivalent to the standard Separation of Insureds clause published by the Insurance Services Offices ("ISO") or its successor organization.

9.3 Primary Coverage

The required policies shall provide that the coverage is primary and will not seek any contribution from any insurance or self-insurance carried by the Port.

9.4 Company Ratings

All policies of insurance must be written by companies having an A.M. Best rating of "A-" or better, or equivalent. The Port may, upon thirty (30) days' written notice to Permittee, require Permittee to change any carrier whose rating drops below an "A-" rating.

9.5 Required Insurance

At all times during this Permit, Permittee shall provide and maintain the following types of coverage:

9.5.1 General Liability Insurance

Permittee shall maintain an occurrence form commercial general liability policy (including coverage for sudden and accidental pollution liability) insuring Permittee against

liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises or occasioned by reason of the operations of Permittee. Such coverage shall name the Port as an additional insured. Coverage shall be in an amount of not less than ONE MILLION DOLLARS (\$1,000,000) per occurrence.

9.5.2 Automobile Liability Insurance

Permittee shall maintain an automobile liability policy insuring against liability for bodily injury, death, or damage to property and related to the use, loading, or unloading of Permittee's owned, hired, and non-owned automobiles on and around the Premises. Coverage shall be in an amount of not less than ONE MILLION DOLLARS (\$1,000,000) per accident.

9.5.3 Workers' Compensation Insurance

Permittee shall maintain in force workers' compensation coverage for all of Permittee's employees in accordance with all requirements of Oregon law and employer's liability insurance. In lieu of workers' compensation insurance, Permittee may maintain a self-insurance program meeting the requirements of the State of Oregon and a policy of excess workers' compensation and employer's liability insurance.

10. ASSIGNMENT OF INTEREST OR RIGHTS

Permittee shall not, in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer, or encumber any of Permittee's rights granted by this instrument. Any attempted assignment or transfer shall be void.

11. ATTORNEY FEES

If suit or action is instituted in connection with any controversy arising out of this Permit and Right-of-Entry, the prevailing party shall be entitled to recover, in addition to Costs, such sum as the court may adjudge reasonable as attorney fees or, in the event of appeal or on petition for review, as allowed by the appellate court.

12. WARRANTIES/GUARANTEES

The Port makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises, and it is agreed that the Port will not be responsible for any loss, damage, or costs which may be incurred by Permittee by reason of any such physical condition.

13. COMPLIANCE WITH LAW

Permittee shall comply with all applicable state, federal, and local laws, including, but not limited to, City of Portland zoning ordinances and laws, rules, regulations, and policies concerning equal opportunity, nondiscrimination, workers' compensation, and minimum and prevailing wage requirements.

14. NOTICES

All notices required under this Permit and Right-of-Entry shall be deemed properly served if personally served (including without limitation by overnight courier service) or sent by certified mail, return receipt requested, to the last address previously furnished by the parties hereto. Until hereafter changed by the parties by notice in writing, notices shall be sent to the parties at the addresses set forth below:

If to Permittee:

Riverscape LLC
6442 SW Loop Drive
Portland, OR 97221
Attn: Thomas Kemper

If to the Port:

Port of Portland
121 NW Everett
Portland, OR 97209
Attn: Suzanne Brooks

15. ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

15.1 Definitions

For the purposes of this Permit, the following definitions shall apply:

15.1.1 Hazardous Substance

"Hazardous Substance" includes any and all substances defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or materials, or any other similar term in or under any applicable laws and regulations. Hazardous Substance shall also include, but not be limited to, fuels, petroleum, and petroleum-derived products.

15.1.2 Environmental Cost

"Environmental Cost" includes, but is not limited to, costs and damages arising from or relating to: (i) any actual or claimed violation of or noncompliance with any applicable laws and regulations; (ii) claims for damages, response costs, Special Audit costs, fines, fees, or other relief relating to matters addressed in any applicable laws and regulations; (iii) injunctive relief relating to matters addressed in any applicable laws and regulations; (iv) Hazardous Substance Releases; and (v) violations of any environmental provisions of this Permit. Costs and damages, as used in this Section, shall include, but not be limited to: (a) costs of evaluation, testing, analysis, cleanup, remediation, removal, disposal, monitoring, and maintenance; (b) fees of attorneys, engineers, consultants, and experts, whether or not taxable as Costs, incurred at, before, or after trial, appeal, or administrative proceedings; (c) lost revenue; and (d) diminution of value, loss, or restriction on use of property.

15.1.3 Hazardous Substance Release

"Hazardous Substance Release" shall be interpreted in the broadest sense to include the spilling, discharge, deposit, injection, dumping, emitting, releasing, leaking, or placing of any Hazardous Substance into the air or into or on any land or waters, except as authorized by a then-current and valid permit issued under applicable laws and regulations.

15.2 General Environmental Obligations of Permittee

Permittee shall manage and conduct all of its activities on or relating to the Premises: (i) in compliance with applicable laws and regulations and the environmental provisions of this Permit; (ii) in cooperation with the Port in the Port's efforts to comply with applicable laws and regulations; and (iii) in adherence with best management practices applicable to Permittee's use of the Premises. Permittee shall manage and, as appropriate, secure the Premises and its occupation or use of the Premises so as to prevent any violation of laws or regulations by any party on or relating to the Premises.

15.3 Use of Hazardous Substances

Permittee shall not be permitted to use, handle or store Hazardous Substances on the Premises.

15.4 Permittee's Liability

15.4.1 Release of Hazardous Substance

Except as provided in Section 15.4.3, Permittee shall be responsible for any Hazardous Substance Release on the Premises, on other properties, in the air, or in adjacent or nearby waterways (including groundwater) which results directly or indirectly from Permittee's occupancy or use of the Premises either during or after the Permit Term.

15.4.2 Permittee's Liability for Environmental Costs

Except as provided in Section 15.4.3, Permittee shall be responsible for all Environmental Costs arising under this Permit.

15.4.3 Limitation of Permittee's Liability

Notwithstanding anything to the contrary provided in this Permit, Permittee shall have no responsibility for Hazardous Substances or Hazardous Substance Releases, or Environmental Costs arising therefrom, that: (i) existed on the Premises prior to the Effective Date of this Permit (except if caused by Permittee or Permittee's agents, employees, or contractors); or (ii) are caused by the Port or the agents, employees, or contractors of the Port after the Effective Date of this Permit.

15.4.4 Pre-existing Contamination Revealed by Permitted Activities

In the event that Permittee's activities on the Premises reveal a pre-existing contamination of the Premises, Permittee releases the Port and waives any claim against the Port for damages or costs caused by the delay arising from the Port's efforts to remediate such pre-existing contamination.

15.5 Environmental Remediation

15.5.1 Immediate Response

In the event of a violation of applicable laws and regulations, a violation of an environmental provision of this Permit, a Hazardous Substance Release, or the threat of or reasonable suspicion of the same for which Permittee is responsible under this Permit, Permittee shall immediately undertake and diligently pursue all acts necessary or appropriate to correct the

violation or investigate, contain, and stop the Hazardous Substance Release and remove the Hazardous Substance.

15.5.2 Remediation

Permittee shall promptly undertake all actions necessary or appropriate to ensure that any Hazardous Substance Release is remediated and that any violation of any applicable laws and regulations or environmental provision of this Permit is corrected. Permittee shall remediate, at Permittee's sole expense, all Hazardous Substances for which Permittee is responsible under this Permit or under any applicable laws and regulations and shall restore the Premises or other affected property or water to its pre-contamination condition.

15.5.3 Report to the Port

Within thirty (30) days following completion of any investigatory, containment, remediation, and/or removal action required by this Permit, Permittee shall provide the Port with a written report outlining, in detail, what has been done and the results thereof.

15.5.4 Port's Approval Rights

Except in the case of an emergency or an agency order requiring immediate action, Permittee shall give the Port advance notice before beginning any investigatory, remediation, or removal procedures. The Port shall have the right to approve or disapprove the proposed investigatory, remediation, and removal procedures and the company(ies) and/or individuals conducting such procedures which are required by this Permit or by applicable laws and regulations, whether on the Premises or on any affected property or water. The Port will have the right to require Permittee to request oversight from the Oregon Department of Environmental Quality ("DEQ") of any investigatory, containment, remediation, and removal activities and/or require Permittee to seek a statement from DEQ of "No Further Action."

15.6 Notice

Permittee shall promptly notify the Port upon becoming aware of: (i) a violation or alleged violation of any applicable laws and regulations related to the Premises or to Permittee's occupation or use of the Premises or any environmental provision of this Permit; and (ii) any Hazardous Substance Release on, under, or adjacent to the Premises or threat of or reasonable suspicion of any of the same. If notice must be given on the weekend or after 5:00 p.m. on any business day, Permittee shall notify the Port by calling the Port's emergency telephone number. That number is (503) 335-1111.

15.7 Port's Right to Perform on Behalf of Permittee

Except in the event of an emergency or an agency order requiring immediate action, the Port shall have the right, upon giving Permittee seven (7) days' written notice, to perform Permittee's obligations arising under this Permit and charge Permittee the resulting Environmental Cost. The Port may not commence performance on behalf of Permittee under this Section if, within the seven (7)-day notice period, Permittee promptly begins and diligently pursues to completion the performance of the obligations set forth in the Port's notice.

16. DUTIES UPON TERMINATION

Upon termination of this Permit, Permittee shall restore the Premises to its condition at the Commencement Date of this Permit, unless otherwise directed by the Port. In addition, Permittee shall: (i) remove any and all of Permittee's property, including, but not limited to, equipment, materials, supplies, and debris from the Premises; (ii) repair any damage to the Premises caused by Permittee's use thereof; and (iii) return all keys, if applicable, to the Port. Permittee's obligations and liability to the Port shall survive termination.

17. ABANDONMENT

Any items of Permittee's property which remain on the Premises after the expiration or termination of this Permit and Right-of-Entry may, at the Port's option, be deemed abandoned. The Port shall have the option of removing and disposing of any or all such abandoned property and recovering the cost thereof, plus interest from the date of expenditure at the Port's then-current rate, from Permittee upon demand.

18. WARRANTY OF AUTHORITY

The individuals executing this Permit and Right-of-Entry warrant that they have full authority to execute this Permit and Right-of-Entry on behalf of the entity for whom they are acting herein.

19. ENTIRE AGREEMENT

This Permit and Right-of-Entry represents the entire agreement between the parties and supersedes all prior agreements, written or oral. No amendment to this Permit and Right-of-Entry shall be effective unless in writing and signed by the parties hereto.

Both parties agree to be bound by the terms and conditions of this Permit and Right-of-Entry.

PERMITTEE

THE PORT OF PORTLAND

RIVERSCAPE LLC

By: TIGER PROPERTIES LLC
Its Manager

By: _____
Mike Thorne, Executive Director

By _____

APPROVED AS TO LEGAL SUFFICIENCY
FOR THE PORT

Title _____

By: _____
Counsel for Port of Portland

APPROVED BY COMMISSION ON:

A PAIRED LAND Lying ABOVE THE LINE OF ORIGINARY HIGH WATER, LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 28, TOWNSHIP ONE NORTH, RANGE ONE EAST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF PORTLAND, COUNTY OF MULTNOMAH AND STATE OF OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF LOTS 11 THROUGH 20 OF THE HANDEL BLOCK OF "VALENTINE'S ADDITION TO THE CITY OF PORTLAND," ALL OF LOTS 21 THROUGH 25 IN THE BLOCK 2, "DOUGLAS ADDITION TO THE CITY OF PORTLAND," AND ALL OF LOTS 1, "DOUGLAS ADDITION TO THE CITY OF PORTLAND," AND "HARRISON'S ADDITION TO THE CITY OF PORTLAND," BEING FURTHER DESCRIBED AS FOLLOWS:

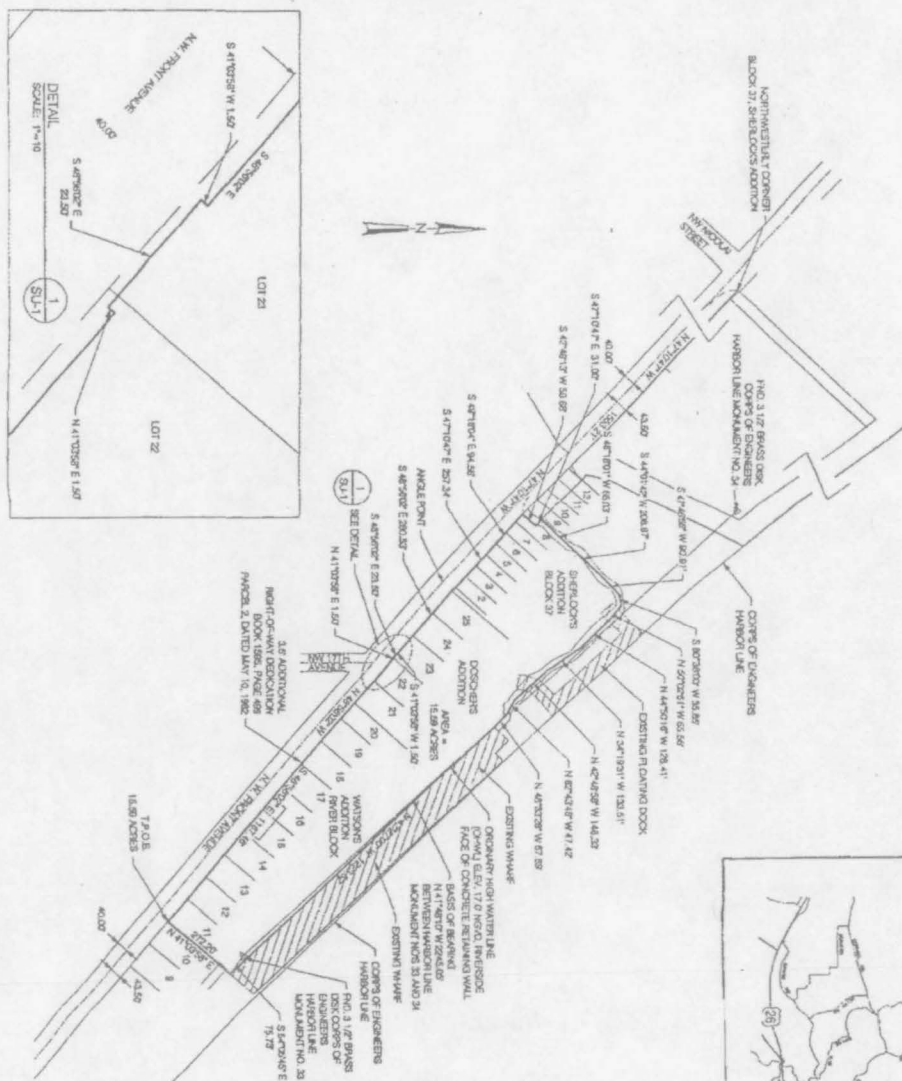
[illegible][illegible]VICINITY MAP
SCALE: N.T.S.[illegible]

Exhibit A

After Recording, Return Document To:

Send Tax Statements To:

SPECIAL WARRANTY DEED WITH RESTRICTIVE COVENANTS

THE PORT OF PORTLAND, a port district of the State of Oregon (hereinafter "Grantor"), conveys and specially warrants to, RIVERSCAPE LLC, an Oregon limited liability company (hereinafter "Grantee"), the real property described on **Exhibit 1**, attached hereto and incorporated herein, together with all improvements thereon (hereinafter the "Property"), which Property is commonly known as Terminal One South. The Property is free of encumbrances created or suffered by Grantor, except as specifically set forth herein.

The true, actual, and whole consideration for the transfer is seven million six hundred thousand dollars (\$7,600,000.00).

The above-described Property is conveyed subject to the exceptions, exclusions, encumbrances, and stipulations which are ordinarily part of a standard owner's policy of title insurance (unless caused or suffered by Grantor) and subject to the Special Exceptions ___ through ___, shown on **Exhibit 2**, attached hereto and incorporated herein (collectively referred to as "Permitted Encumbrances").

This Deed is also subject to all the "Restrictive Covenants" set forth herein below which shall remain in full force and effect, as provided by law. All provisions of this Deed, including all Restrictive Covenants, may be enforced by Grantor, its successors or its assigns either by action at law or by suit in equity. Grantor shall not be responsible or liable to Grantee or to any third parties for enforcement of or for failure to enforce the Restrictive Covenants. Invalidity of any of the Restrictive Covenants shall in no way affect any of the other covenants or provisions which shall remain in full force and effect. It is distinctly covenanted and agreed between the parties that all of the Restrictive Covenants and provisions herein expressed shall be held to bind Grantee, its successors and its assigns and run with the land conveyed hereby and all of its subsequent owners and occupants.

1. RESTRICTIVE COVENANTS

1.1 Grantor's Right of Repurchase

Upon written notice from Grantor to Grantee, Grantor shall have the right (but not the obligation) to repurchase the Property five (5) years from the date of the recording of this Deed if

Grantee has not invested more than three million dollars (\$3,000,000.00) toward the development of the Property, including without limitation design, engineering, permitting, demolition and construction, for the development as further described in that certain Sale Agreement and Receipt for Earnest Money dated August _____, 2000 between Grantor and Grantee pursuant to which this Deed is given. Upon request of Grantor made no earlier than five (5) years after the date of the recording of this Deed, Grantee shall promptly provide Grantor with copies of paid invoices or other documentation evidencing Grantee's investment. The repurchase price shall be equal to the then fair market value of the Property but shall be no less than the purchase price paid by Grantee to Grantor for the Property plus Grantee's expenditures up to the date of repurchase toward the development of the Property, including design, engineering, permitting, demolition, and construction.

1.2 Use of Property

Buyer shall develop the Property for residential and commercial use.

2. NOTICES

Any notices required to be sent to Grantor under the terms of this Deed shall be sent to Grantor at the following address:

The Port of Portland
P.O. Box 3529
Portland, OR 97208
Attention: Legal Department

3. SEVERABILITY

If any provision of this Deed is held to be invalid or unenforceable, the remainder of this Deed, or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Deed shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Deed is found to be generally unenforceable but is partially enforceable, then the provision shall be automatically amended so that it may be enforced to the fullest extent allowed by law.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

IN WITNESS HEREOF, Grantor has caused this Deed to be signed by its _____
this _____ day of _____, 200_.

THE PORT OF PORTLAND

By: _____

As Its: _____

APPROVED AS TO LEGAL SUFFICIENCY
FOR THE PORT

By: _____
Counsel for Port of Portland

APPROVED BY COMMISSION ON:

STATE OF OREGON)
)
COUNTY OF MULTNOMAH)

This instrument was acknowledged before me on _____, 200_,
by _____ as the _____ of the Port of Portland.

Notary Public for Oregon

My Commission Expires: _____

Exhibit 1

LEGAL DESCRIPTION
TERMINAL ONE – SOUTH PORTION

A PARCEL OF LAND LYING ABOVE THE LINE OF ORDINARY HIGH WATER, LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 28, TOWNSHIP ONE NORTH, RANGE ONE EAST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF PORTLAND, COUNTY OF MULTNOMAH AND STATE OF OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF LOTS 11 THROUGH 20 OF THE RIVER BLOCK OF "WATSON'S ADDITION TO THE CITY OF PORTLAND", ALL OF LOTS 21 THROUGH 25 RIVER BLOCK 2, "DOSCHER'S ADDITION TO THE CITY OF PORTLAND" AND ALL OF LOTS 1 THROUGH 7, AND PORTIONS OF LOTS 8 AND 9 "SHERLOCK'S ADDITION TO THE CITY OF PORTLAND, BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF NW FRONT AVENUE AT THE MOST SOUTHERLY CORNER OF LOT 11 OF THE RIVER BLOCK OF "WATSON'S ADDITION TO THE CITY OF PORTLAND", FROM WHICH A FOUND 5/8" IRON ROD WITH RED PLASTIC CAP BEARS SOUTH 84°00'06" WEST A DISTANCE OF 0.08 FEET, THENCE NORTH 41°03'58" EAST LEAVING SAID NORTHEASTERLY RIGHT-OF-WAY LINE, ALONG THE DIVIDING LINE AND THE EXTENSION THEREOF BETWEEN LOTS 10 AND 11 OF SAID PLAT, A DISTANCE OF 272.20 FEET TO A POINT ON THE ORDINARY HIGH WATER LINE (OHWL) OF THE WILLAMETTE RIVER AS DESCRIBED IN BOOK 2092, PAGE 393, DATED APRIL 4, 1988 (17.0 FEET NATIONAL GEODETIC VERTICAL DATUM 1929-47), AT THE RIVERSIDE FACE OF A CONCRETE RETAINING WALL; THENCE LEAVING SAID DIVIDING LINE AND THE EXTENSION THEREOF BETWEEN LOTS 10 AND 11, AND RUNNING ALONG THE ORDINARY HIGH WATER LINE THE FOLLOWING ELEVEN (11) COURSES: 1) ALONG THE RIVERSIDE FACE OF A CONCRETE RETAINING WALL, NORTH 42°27'00" WEST A DISTANCE OF 1223.62 FEET; 2) THENCE LEAVING SAID CONCRETE WALL AND CONTINUING ALONG THE LINE OF ORDINARY HIGH WATER NORTH 48°33'28" WEST A DISTANCE OF 67.89 FEET; 3) THENCE NORTH 62°43'48" WEST A DISTANCE OF 47.42 FEET; 4) THENCE NORTH 42°48'58" WEST A DISTANCE OF 148.33 FEET; 5) THENCE NORTH 34°19'31" WEST A DISTANCE OF 133.51 FEET; 6) THENCE NORTH 44°50'16" WEST A DISTANCE OF 128.41 FEET; 7) THENCE NORTH 50°02'51" WEST A DISTANCE OF 65.56 FEET; 8) THENCE SOUTH 80°38'00" WEST A DISTANCE OF 35.85 FEET; 9) THENCE SOUTH 47°48'58" WEST A DISTANCE OF 90.91 FEET; 10) THENCE SOUTH 44°01'42" WEST A DISTANCE OF 206.87 FEET; 11) THENCE SOUTH 48°18'01" WEST A DISTANCE OF 65.03 FEET TO A POINT DIRECTLY BELOW THE NORTHEASTERLY EDGE OF A CONCRETE WHARF; THENCE LEAVING SAID LINE OF ORDINARY HIGH WATER, SOUTH 47°10'47" EAST ALONG THE FACE OF SAID WHARF A DISTANCE OF 31.00 FEET, TO THE

NORTHEASTERLY CORNER THEREOF; THENCE SOUTH 42°49'13" WEST, PERPENDICULAR TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF NW FRONT AVENUE A DISTANCE OF 59.68 FEET, TO A POINT ON SAID NORTHEASTERLY RIGHT-OF-WAY LINE, SAID POINT BEING 1553.21 FEET FROM THE NORTHWESTERLY CORNER OF BLOCK 37 OF "SHERLOCK'S ADDITION TO THE CITY OF PORTLAND", AS DESCRIBED AS BEING THE POINT OF BEGINNING OF PARCEL 2 OF BOOK 1595, PAGE 499 DATED MAY 10, 1982, MULTNOMAH COUNTY DEED RECORDS; THENCE ALONG THE NORTHEASTERLY RIGHT-OF-WAY LINE OF NW FRONT AVENUE THE FOLLOWING SEVEN (7) COURSES: 1) SOUTH 49°18'04" EAST A DISTANCE OF 94.56 FEET; 2) THENCE SOUTH 47°10'47" EAST A DISTANCE OF 257.34 FEET; 3) THENCE SOUTH 48°56'02" EAST A DISTANCE OF 280.53 FEET; 4) THENCE SOUTH 41°03'58" WEST A DISTANCE OF 1.50 FEET; 5) THENCE SOUTH 48°56'02" EAST A DISTANCE OF 23.50 FEET; 6) THENCE NORTH 41°03'58" EAST A DISTANCE OF 1.50 FEET; 7) THENCE SOUTH 48°56'02" EAST A DISTANCE OF 1167.46 FEET TO THE TRUE POINT OF BEGINNING. CONTAINING 679,312 SQUARE FEET (15.59 ACRES) MORE OR LESS.

SUBJECT TO THE FOLLOWING EASEMENTS OF RECORD, AS PER MULTNOMAH COUNTY DEED RECORDS: BOOK 603, PAGE 1144, DATED 2/6/68, STATE OF OREGON, ODOT, HIGHWAY BRIDGE PIER AND FOOTING; BOOK 829, PAGE 309, DATED 12/13/71, CITY OF PORTLAND, SEWERS, 30.00 FOOT STRIPS THROUGH THE SOUTHEAST PORTION OF LOT 11, RIVER BLOCK WATSON'S ADDITION TO THE CITY OF PORTLAND; NORTHWEST PORTION OF LOT 13, RIVER BLOCK WATSON'S ADDITION TO THE CITY OF PORTLAND, AND NORTHWESTERLY PORTION OF LOT 23 AND SOUTHEASTERLY PORTION OF LOT 24, BLOCK 2, DOSCHER'S ADDITION TO THE CITY OF PORTLAND; BOOK 861, PAGE 1296, DATED JUNE 7, 1972, CITY OF PORTLAND METER VAULT, LOT 14, RIVER BLOCK WATSON'S ADDITION TO THE CITY OF PORTLAND.

THE BEARINGS FOR THIS LEGAL DESCRIPTION ARE BASED ON RECORD OF SURVEY NO. 57290 ON FILE IN THE MULTNOMAH COUNTY SURVEY RECORDS.

BILL OF SALE

This Bill of Sale is made as of _____, 200__, by THE PORT OF PORTLAND, a port district of the State of Oregon (the "Port"), to RIVERSCAPE LLC, an Oregon limited liability company ("Grantee"). This Bill of Sale is delivered pursuant to that certain Sale Agreement dated as of _____, 2000, between the Port and Grantee (the "Sale Agreement").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Port does hereby grant, bargain, sell, assign, convey, transfer and deliver to Grantee all of the Port's right, title and interest in and to the personal property described in attached **Exhibit 1** (the "Personal Property") located on the real property described in attached **Exhibit 2**.

The Personal Property is transferred to Grantee, and Grantee accepts the Personal Property, in its AS IS condition, without warranty or representations as to any matters, including without limitation title, condition, quantity, or fitness for a particular purpose.

IN WITNESS WHEREOF the Port and Grantee have executed this Bill of Sale as of the date first set forth above.

GRANTEE:

RIVERSCAPE LLC

By: TIGER PROPERTIES LLC
Its Manager

By: _____

Title: _____

THE PORT:

THE PORT OF PORTLAND

By: _____

Title: _____

APPROVED AS TO LEGAL SUFFICIENCY
FOR THE PORT

By: _____
Counsel for Port of Portland

APPROVED BY COMMISSION ON:

Exhibit 1

Piers

Docks

Other (to be completed)

Exhibit 2

LEGAL DESCRIPTION
TERMINAL ONE - SOUTH PORTION

A PARCEL OF LAND LYING ABOVE THE LINE OF ORDINARY HIGH WATER, LOCATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 28, TOWNSHIP ONE NORTH, RANGE ONE EAST OF THE WILLAMETTE MERIDIAN, IN THE CITY OF PORTLAND, COUNTY OF MULTNOMAH AND STATE OF OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF LOTS 11 THROUGH 20 OF THE RIVER BLOCK OF "WATSON'S ADDITION TO THE CITY OF PORTLAND", ALL OF LOTS 21 THROUGH 25 RIVER BLOCK 2, "DOSCHER'S ADDITION TO THE CITY OF PORTLAND" AND ALL OF LOTS 1 THROUGH 7, AND PORTIONS OF LOTS 8 AND 9 "SHERLOCK'S ADDITION TO THE CITY OF PORTLAND, BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF NW FRONT AVENUE AT THE MOST SOUTHERLY CORNER OF LOT 11 OF THE RIVER BLOCK OF "WATSON'S ADDITION TO THE CITY OF PORTLAND", FROM WHICH A FOUND 5/8" IRON ROD WITH RED PLASTIC CAP BEARS SOUTH 84°00'06" WEST A DISTANCE OF 0.08 FEET, THENCE NORTH 41°03'58" EAST LEAVING SAID NORTHEASTERLY RIGHT-OF-WAY LINE, ALONG THE DIVIDING LINE AND THE EXTENSION THEREOF BETWEEN LOTS 10 AND 11 OF SAID PLAT, A DISTANCE OF 272.20 FEET TO A POINT ON THE ORDINARY HIGH WATER LINE (OHWL) OF THE WILLAMETTE RIVER AS DESCRIBED IN BOOK 2092, PAGE 393, DATED APRIL 4, 1988 (17.0 FEET NATIONAL GEODETIC VERTICAL DATUM 1929-47), AT THE RIVERSIDE FACE OF A CONCRETE RETAINING WALL; THENCE LEAVING SAID DIVIDING LINE AND THE EXTENSION THEREOF BETWEEN LOTS 10 AND 11, AND RUNNING ALONG THE ORDINARY HIGH WATER LINE THE FOLLOWING ELEVEN (11) COURSES: 1) ALONG THE RIVERSIDE FACE OF A CONCRETE RETAINING WALL, NORTH 42°27'00" WEST A DISTANCE OF 1223.62 FEET; 2) THENCE LEAVING SAID CONCRETE WALL AND CONTINUING ALONG THE LINE OF ORDINARY HIGH WATER NORTH 48°33'28" WEST A DISTANCE OF 67.89 FEET; 3) THENCE NORTH 62°43'48" WEST A DISTANCE OF 47.42 FEET; 4) THENCE NORTH 42°48'58" WEST A DISTANCE OF 148.33 FEET; 5) THENCE NORTH 34°19'31" WEST A DISTANCE OF 133.51 FEET; 6) THENCE NORTH 44°50'16" WEST A DISTANCE OF 128.41 FEET; 7) THENCE NORTH 50°02'51" WEST A DISTANCE OF 65.56 FEET; 8) THENCE SOUTH 80°38'00" WEST A DISTANCE OF 35.85 FEET; 9) THENCE SOUTH 47°48'58" WEST A DISTANCE OF 90.91 FEET; 10) THENCE SOUTH 44°01'42" WEST A DISTANCE OF 206.87 FEET; 11) THENCE SOUTH 48°18'01" WEST A DISTANCE OF 65.03 FEET TO A POINT DIRECTLY BELOW THE NORTHEASTERLY EDGE OF A CONCRETE WHARF;

THENCE LEAVING SAID LINE OF ORDINARY HIGH WATER, SOUTH 47°10'47" EAST ALONG THE FACE OF SAID WHARF A DISTANCE OF 31.00 FEET, TO THE NORTHEASTERLY CORNER THEREOF; THENCE SOUTH 42°49'13" WEST, PERPENDICULAR TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF NW FRONT AVENUE A DISTANCE OF 59.68 FEET, TO A POINT ON SAID NORTHEASTERLY RIGHT-OF-WAY LINE, SAID POINT BEING 1553.21 FEET FROM THE NORTHWESTERLY CORNER OF BLOCK 37 OF "SHERLOCK'S ADDITION TO THE CITY OF PORTLAND", AS DESCRIBED AS BEING THE POINT OF BEGINNING OF PARCEL 2 OF BOOK 1595, PAGE 499 DATED MAY 10, 1982, MULTNOMAH COUNTY DEED RECORDS; THENCE ALONG THE NORTHEASTERLY RIGHT-OF-WAY LINE OF NW FRONT AVENUE THE FOLLOWING SEVEN (7) COURSES: 1) SOUTH 49°18'04" EAST A DISTANCE OF 94.56 FEET; 2) THENCE SOUTH 47°10'47" EAST A DISTANCE OF 257.34 FEET; 3) THENCE SOUTH 48°56'02" EAST A DISTANCE OF 280.53 FEET; 4) THENCE SOUTH 41°03'58" WEST A DISTANCE OF 1.50 FEET; 5) THENCE SOUTH 48°56'02" EAST A DISTANCE OF 23.50 FEET; 6) THENCE NORTH 41°03'58" EAST A DISTANCE OF 1.50 FEET; 7) THENCE SOUTH 48°56'02" EAST A DISTANCE OF 1167.46 FEET TO THE TRUE POINT OF BEGINNING. CONTAINING 679,312 SQUARE FEET (15.59 ACRES) MORE OR LESS.

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